

Master's Project

Factors Leading to the Success and Failure of Nonprofit Homeless Shelters and Housing Programs in North Carolina

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I. Introduction

“Homelessness has become an immutable aspect of modern existence, an expected and predictable part of the social landscape.”¹ Homelessness is defined as a condition where persons are “sleeping in places not meant for human habitation, in an emergency or transitional housing program, or in emergency accommodations paid for by a voucher.”² Essentially, these are persons without a formal residence or a person who sleeps on the street, in abandoned buildings, cars, shelters.³

Homelessness was first discussed as a national problem in the mid-1980s, and governments on the local, state, and federal levels began focusing on this issue.⁴ Congress passed the McKinney-Vento Homeless Assistance Act in 1987, which strategically addressed homelessness for the first time.⁵ This Act provided federal funds for homeless programs, but it also required localities to match a percentage of those federal funds. This led to new homeless task forces in many states and cities, giving homelessness significant consideration for the first time. Originally these funds went to repairing, renovating, and building new shelters. They have since been used for staff and supportive services as well. This Act also led to the creation of transitional and permanent housing programs, in addition to emergency shelters.

Initial responses to homelessness were “ad hoc and crisis oriented,” which led to emergency shelter and food shelters. To improve the quality and organization of homeless assistance programs, the government created Continuum of Care in the late 1990s.⁶ This change was significant because individual programs were no longer awarded federal funding.

¹ National Coalition for the Homeless. 1997. *Homeless in America: Unabated and increasing. A Ten year perspective.* Washington, D.C.

² Levinson, David and Marcy Ross, Eds. *Homelessness Handbook.* Great Berkshire, Massachusetts: Berkshire Publishing Group, 2007.

³ Zlotnick, C., Robertson, M.J. and Lahiff, M. (1999). Getting off the streets: Economic resources and residential exits from homelessness. *Journal of Community Psychology* 27

⁴ Levinson 2007.

⁵ Burt, Martha. “Helping America’s Homeless: Emergency Shelter or Affordable Housing?” Urban Institute. Washington, D.C. 2001.

Wong, Yin-Ling Irene, Jung Min Park, and Howard Nemon. “Homeless Service Delivery in the Context of Continuum of Care” *Administration in Social Work* 30 1 2006.

National Coalition for the Homeless 1997.

⁶ Wong 2006; Burt, M.R., Pollack, D. etc. (2002). Evaluations of Continuums of Care for Homeless People: Final report. Washington, D.C.: U.S. Department of Housing and Urban Development.

Localities were awarded funding which was to be distributed among different programs belonging to the local Continuum of Care.⁷

The Department of Housing and Urban Development (HUD) began viewing homeless assistance as a series of stages, from emergency shelter to transitional housing to permanent housing. For localities to receive funding for homeless assistance programs, they now had to show how their services and programs fit into the community Continuum of Care as well as how they met community needs. Each locality also had to address how their services would be coordinated as opposed to acting independently.⁸ As of 2006, these Homeless Assistance Grants were one of the highest performing federal programs.⁹ Recently HUD has also been asking communities to use homeless management information systems (HMIS) as a way to collect data more efficiently. As of 2006, few had been implemented, mostly because of the cost and time needed to develop HMIS.¹⁰

Localities are able to choose where to invest federal resources under Continuum of Care, and most still spend a majority of their funds on providing emergency shelter.¹¹ Because of the federal emphasis on homeless assistance, the number of homeless residential programs tripled between 1984 and 1988; the number doubled between 1988 and 1996. The number of programs grew from 1900 to 12,010.¹² The nation's shelter capacity grew by 220% between 1988 and 1996. The number of transitional and permanent housing programs grew dramatically from none to over 270,000 units between 1988 and 1996.¹³ This growth illustrated the demand that had been present but un-served.¹⁴

This growth of the homeless assistance network is somewhat of a mystery in that little comprehensive and national data is available to determine if current approaches to homeless assistance are working. It is almost impossible to determine how many of those that are

⁷ Burt 2001.

⁸ Burt 2007.

⁹ National Alliance to End Homelessness. 2006. *OMB Gives Highest Rating to Homeless Assistance Programs*. Washington, D.C.

¹⁰ "Five Questions for Martha Burt" Urban Institute <http://www.urban.org/toolkit/fivequestions/MBurt.cfm> Retrieved November 13, 2007; Burt 2002.

¹¹ Burt 2001.

¹² Wong 2006.

¹³ Burt 2001.

¹⁴ More recent data is not available because an updated study has not been done.

homeless today were homeless a year ago or five years ago, and it can be equally difficult to determine, how long episodes of homelessness actually last.¹⁵ Researchers also find homeless assistance programs difficult to evaluate, making it hard to know how effective they are at moving homeless persons into housing stability. Is our current system a “hierarchy of shelter provision that produces ambiguous and uneven outcomes”¹⁶ or is it actually the very best approach to serving the homeless¹⁷?

A national approach to these questions is not in the scope of this study, but I believe we can find some answers by trying to study these issues with a narrower focus. I have chosen to study North Carolina’s homeless assistance network, specifically programs that have received funding from the North Carolina Housing Finance Agency for capital expenditures (new construction, rehabilitation). The central questions that I will be addressing in this study are:

1. What criteria can be used to study the effectiveness of homeless assistance programs?
2. Are homeless assistance programs (emergency and transitional) in North Carolina effective as organizations and as service providers?
3. How could state networks and programs be affected by current trends in homeless assistance policy?

Definitions¹⁸

1. Homeless Assistance Program: set of services offered to a specific group and focused on reaching the homeless population.
2. Service: any good or activity provided to clients using a program
3. Client: someone who uses a program

Methodology

William Rohe with Rachel Bratt and Protip Biswas did a study on Community Development Corporations (CDC), specifically why some merged, downsized, or closed completely. They focused on two examples of each as well as examples that were in different

¹⁵ The last attempted national survey of homeless assistance providers was in 1996.¹⁵

¹⁶ Hoch, Charles and Lynette Bowden. “Sheltering the Homeless” Great Cities Institute Chicago, IL: 1998.

¹⁷ As a caveat, many in the field believe homelessness prevention and affordable housing are the only effective ways to end homelessness. While I will address some of this argument in my conclusion, these topics will not be the focus of my paper.

¹⁸ Burt 1999.

geographical regions and different local contexts. Organizations were included if they had been in operation for over four years. They also used comparison organizations to further understand what made CDCs less effective. Robert Fischer did a study on the Family Development Center, a transitional housing program in Georgia, and his study looked at three things: case files, in-person contact with clients, discussions with staff, and observation.¹⁹ He also focused on program intake, exit, and follow-up. Specifically, Fischer studied how long families stayed in the program, if clients were able to comply with the structure and rules of the program, if follow-up contact was maintained, clients' employment, and clients' receipt of public assistance. These studies guided me in the design of my study.

I will be using a case study approach, but the first piece of my data collection and analysis will be an overview of emergency and transitional shelters funded by the North Carolina Housing Finance Agency (NCHFA). This overview will include a summary of approximately thirty programs, discussing common characteristics but also areas of variability across the state. I am using NCHFA data because it provides a geographic spread of the state as well as organizations with some vision and/or capacity, because they applied to NCHFA for funding to expand, renovate, or build new facilities.

After analyzing the data available on the thirty state funded programs, I will focus on six shelters and housing programs that illustrate the spectrum from success to failure, all of which received funding from the North Carolina Housing Finance Agency after 1994. These case studies will be selected from the thirty state funded programs in my overview discussed above. I will only study organizations that have been in existence for at least four years, as Dr. Rohe did in his study. I will be focusing on case files and some contact with staff as well as intake data that is available, as Fischer did in his study. I will not be speaking with clients or observing programs at this time. Some characteristics of "successful" shelters is large capacity, financial resources, innovation in the field or demonstrated progress at moving clients into housing. Closed shelters will be included because they essentially failed; "struggling" shelters are also included in this spectrum. "Struggling" will be defined as facing issues like enough revenue to meet expenses, deferred maintenance, or vacancy issues.

¹⁹ Fischer, Robert. "Toward Self-Sufficiency" *Policy Studies Journal* 28 2 2000.

My focus will be on characteristics of the individual programs and at this point, not heavily based on outcome measurement though it will be included to an extent. Emergency and transitional housing programs are difficult to evaluate because of the lack of studies about them, the difficulty in tracking families, and lack of consensus on when to measure results after leaving a program, as well as other issues. Because many of the programs in my overview are relatively small, I am not expecting them to have the capacity to do extensive data collection.

Organization of Study

Chapter 2 is a literature review of research and studies on homelessness and homeless assistance to put the issue in an appropriate context. Chapter 3 is a literature review on nonprofit effectiveness as well as an introduction to my study. Chapter 4 includes an overview of twenty-seven homeless assistance programs in North Carolina and six case studies of specific programs that demonstrating factors that contribute to a program's success or failure. Chapter 5 is an analysis of these case studies. Chapter 6 is a discussion of the current paradigm shift in homeless service provision and the potential effects. Chapter 7 discusses lessons learned from this study and future areas of study.

II. Literature Review

Structure of Homeless Assistance Programs

There are three types of homeless residential programs: emergency shelters, transitional housing, and permanent housing. A 1990 survey of 646 shelter programs showed they were diverse in both housing and services provided as well as clients served; no distinct or common types exist²⁰. Emergency shelters, under the Continuum of Care, are the point of entry, a temporary stay, a “catchall.”²¹ These shelters provide temporary housing at little or no cost.²² Shelters are a client’s most common way to enter a local homeless assistance network. Most serve either families or single adults, and they have the largest bed capacity of any homeless assistance program.²³ Shelters can serve one family a day to five hundred a day, with a daily average of twenty-seven families.²⁴ Emergency shelter stays can vary from one to ninety days, but many do not have set lengths of stay. There is some argument that if the length of a client’s stay is not defined, then these shelters are not truly “emergency” in nature.²⁵

Clients tend to have limited privacy, and emergency shelters usually have restricted operating hours (i.e. evening only).²⁶ Additionally many offer only minimal services beyond food and shelter.²⁷ Emergency shelters are often not open to persons with mental illness or substance abuse, and most have behavior standards for clients served.²⁸ Some screen potential clients to make the shelter a more secure less disruptive environment.²⁹ For Levinson, “shelters are good for a temporary respite and, for a relatively favored few, rehabilitation and resettlement.”³⁰ The Corporation for Supportive Housing argues that “shelters work well for what they’re designed for – emergencies and short-term situations, not as long-term housing.”³¹

²⁰ Weinreb, L. and Rossi, P. 1995. The American Homeless Family Shelter “System” *Social Service Review* 69 1 86-107

²¹ Levinson 2007; Wong 2006.

²² Weinreb 1995.

²³ Wong 2006.

²⁴ Weinreb 1995.

²⁵ Weinreb 1995; Burt 2002.

²⁶ Cunningham, Mary and Sharon McDonald. “Promising Strategies to End Family Homelessness” National Alliance to End Homelessness.

²⁷ Cunningham NAEH.

²⁸ Wong 2006; Burt 1999; Weinreb 1995.

²⁹ Hoch 1998.

³⁰ Levinson 2007.

³¹ Corporation for Supportive Housing “About Supportive Housing” March 2006 www.csh.org/toolkit2

Others think shelters provide the necessary shelter for households to become self-sufficient again. Despite the growth of and discussion around emergency shelters, demand continues to grow and far surpasses supply.³²

Transitional housing programs are for longer stays, usually up to two years. They are typically smaller than emergency shelters serving fewer clients which are single adults or families. Transitional housing also tends to provide more privacy than emergency shelters with single family and shared units.³³ They tend to be goal oriented with an emphasis on changing clients' behaviors and actions. These housing programs do not usually have leases and instead use behavioral conditions for admissions and discharges, such as substance abuse or mental illness.³⁴ Many are designed for clients with specific conditions so that not only do clients receive housing, but also treatment. Transitional housing works to promote "housing readiness," and self-sufficiency.³⁵ They are more "stringent" about behavior of clients, according to some experts, and of all three types of residential homeless assistance programs, are the most selective either in serving only special needs clients or in the behavior and history of a client.³⁶ Many of these programs are for clients with special needs like substance abuse or mental illness, as many emergency shelters exclude them.³⁷ Clients mostly enter these programs through referral, and they are not usually designed to meet "emergency" needs.³⁸ Transitional programs are more likely to have follow-up services than emergency shelters.³⁹ Emergency and transitional programs can also be combined and provide emergency shelter as well as provide programs and longer stays. This combination depends on the size, design, and staffing of the facility.⁴⁰

Permanent housing serves mostly single adults and individuals with special needs: mental illness, physical disability, substance abuse, or disease.⁴¹ This type of assistance provides fewer basic services. It is much less likely to place requirements or expectations on its clients as

³² National Coalition for the Homeless 1997.

³³ Cunningham NAEH.

³⁴ Levinson 2007.

³⁵ Wong 2006; Hoch 1998.

³⁶ Wong 2006; Hoch 1998; Burt 2001.

³⁷ Burt 1999.

³⁸ Hoch 1998.

³⁹ Weinreb 1995.

⁴⁰ Weinreb 1995.

⁴¹ Wong 2006.

opposed to emergency and transitional housing; permanent housing is the most accepting of behavioral issues.⁴² The 1996 National Survey of Homeless Assistance Providers and Clients (NSHAPC) also showed that two thirds of permanent housing programs did not have a specialization or area of focus. Some believe that providing services in permanent housing programs is more effective than having those services at the transitional housing level because clients are not required to attend. This could make clients more motivated, and thus they will benefit more from the services being provided.⁴³

All three homeless assistance programs--emergency, transitional, and permanent--usually offer services. Services can include case management, referrals, life skills, substance abuse treatment, mental health treatment, medical care, AIDs screening, education, job training, income support, transportation, clothes, child care, and legal services.⁴⁴ The number and depth of services, however, can greatly vary across programs. Transitional housing programs and permanent housing programs are also diverse. They can be scattered site or in one building, mixed income or former homeless only.⁴⁵ Programs can have a property management or a case management approach and have services on-site or off-site.⁴⁶ The cost of each program, however, is not significantly different.⁴⁷

From this research, I see basic characteristics that will be examined in my case studies to show the variation as well as the commonalities across the state in homeless assistance. They are: policies/rules, length of stay, how exits are obtained, and services provided.

Current Demand Nationally

Some current estimates indicate that 600,000 to 2.5 million Americans are homeless.⁴⁸ Others show 600,000 families and 1.35 million children are homeless.⁴⁹ The Corporation for Supportive Housing argues that one percent of all Americans are homeless at some point in a

⁴² Wong 2006.

⁴³ Burt 2001.

⁴⁴ Todd, Ernest, ed. *Homelessness: Is Society Looking the Other Way?* Novinka Books: New York 2006; Weinreb 1995.

⁴⁵ Todd 2006.

⁴⁶ Todd 2006.

⁴⁷ Wong 2006.

⁴⁸ Todd 2006.

⁴⁹ Cunningham NAEH.

given year,⁵⁰ showing that homelessness is a significant concern for this country. The numbers also demonstrate that homelessness is an increasing problem in the United States as the 1996 NSHAPC survey showed that between 446,000 and 840,000 people were homeless in this country.⁵¹

“Firm and up-to-date information” on homelessness does not exist.⁵² Estimates are broad due to the difficulty in finding an accurate estimate of the homeless population in the United States, partly because of the movement into and out of homelessness. Point in time counts are most common because they avoid duplication, but they are limited in accuracy because it is hard to find every homeless person in one day.⁵³ Other types of studies are based on large shelter system databases and community based panel studies that interview and then re-interview a baseline sample of homeless persons.⁵⁴ Burt argues that community based panel studies are the most accurate and helpful, because shelter system databases will only document persons who receive services; however, community based panel studies are difficult and expensive to implement because of the tracking involved, which is why few have been done and none on a large scale.

Most people are only homeless for a short time, again making it difficult to document the actual number of persons that are homeless in a given year and also difficult to document how many remain homeless for a 12 month span.⁵⁵ According to NSHAPC, 40% of those who reported being homeless experienced homelessness for less than 30 days; 50% reported being homeless for between 30 days to a year.⁵⁶ Most people in shelters are experiencing their first episode of homelessness; a person’s type of exit, however, will affect the likelihood of returning to homelessness.⁵⁷ “Particularly among single homeless adults, exits are shallow or unstable,” suggesting the likelihood of returning to homelessness is high.⁵⁸ Shallow or unstable exits could be moving in with a friend or family member or renting an apartment that is financially

⁵⁰ Corporation for Supportive Housing: About Supportive Housing March 2006 www.csh.org/toolkit2

⁵¹ “Five Questions for Martha Burt”

⁵² Weinreb 1995.

⁵³ Levinson 2007; Burt 2001.

⁵⁴ Burt 2001.

⁵⁵ Levinson 2007; Burt 1999.

⁵⁶ Levinson 2007.

⁵⁷ Burt 1999.

⁵⁸ Burt 2001.

burdensome. Studies of shelter data show that relapse rates are highest for single males and lowest for families with children.⁵⁹ Also, the “duration of homelessness dramatically shapes the characteristics of the currently homeless population.”⁶⁰

The homeless population is incredibly diverse. Single men and families are the main groups, but single women, youth, and couples are also subsets.⁶¹ Homeless families, however, are the fastest growing segment of the homeless population, and the “growth of family homelessness has altered the service landscape”.⁶² Historically, emergency shelters were for single adults; now must serve families and single adults, and the needs of these two groups are very different. Roughly 50% of homeless persons are African American, another 30% are Caucasian, and the remaining are Hispanic, Asian, etc.⁶³ Homeless persons are also disproportionately found in central cities, likely due to greater access to shelters and services.⁶⁴ Roughly a third of the homeless population has substance abuse concerns, and another third struggles with mental health issues.⁶⁵ Most cite lack of sufficient income or employment as their barriers to housing, and most have very low incomes.⁶⁶ The U.S. homeless population was either precariously housed or had a personal condition (physical disability, mental illness, substance abuse) and was no longer able to remain housed. Homeless persons are likely to use food stamps and Medicare, and rates of participation in other government aid programs (SSI, TANF) have been increasing.⁶⁷ However, each individual is different, as this data shows, so homeless assistance providers have to be aware of this diversity.

According to the 1996 national survey of homeless programs, most homeless individuals change their location often. Within one week, many move from sleeping in shelters to various other arrangements; however, homeless shelters are “the most common type of location where homeless clients may be found.”⁶⁸ Furthermore, the U.S. Conference of Mayors survey in 2002

⁵⁹ Burt 2001.

⁶⁰ Link, Bruce et al. “Lifetime and Five Year Prevalence of Homelessness” American Journal of Public Health 84 12 1907-1912, 1994.

⁶¹ Burt 1999; U.S. Conference of Mayors. “Hunger and Homelessness Survey” Sodexho, Inc 2002.

⁶² Todd 2006.

⁶³ Ibid.

⁶⁴ Burt 2001.

⁶⁵ Burt 1999.

⁶⁶ Zlotnick 1999.

⁶⁷ Burt 1999.

⁶⁸ Burt 1999.

found that sixty percent of cities in the survey had turned away families for lack of space in their shelters, and the average length of homelessness was eight months.⁶⁹ “Over the past ten years, many communities have doubled or tripled their shelter capacity in order to address the increases in homelessness, but demand for emergency shelter still outstrips supply.”⁷⁰ Most cities in the survey expected to see an increase in demand in 2007; they also expected not to see a corresponding increase in resources to meet that demand.⁷¹ Should the homeless population continue to grow, we will be less able to provide any kind of shelter or housing.

The other aspect of current need and demand which must be discussed is the population with worst case housing needs as they are vulnerable to becoming homeless. In 2003, 5.2 million households had worst case housing needs, which means they have very low incomes (below 50% of the area median income) and pay more than half of their income to housing.⁷² Over two thirds of families with worst case housing needs make 30% or less of the area median income and qualify as extremely low income; however, many of these households and families are fully employed.⁷³ The elderly and disabled are more likely to experience worst case housing needs. The other significant fact to note is that “there continues to be a shortage of affordable housing that is available to very low income and extremely low income renters.”⁷⁴ These statistics suggest that not only is homelessness a current problem, but that it will remain a problem into the future as households struggle to remain housed, and some will be unable to remain in their housing. In addition to this worst case housing issue, the federal government reduced “safety net programs and federally supported housing,” which could further increase homelessness as fewer services are available.⁷⁵ The current homeless population is not a one-time problem. Unchanging structural factors in our society suggest that homelessness will continue for some time. Homelessness not only merits study, but research of homeless assistance is absolutely necessary in order to more effectively serve this population.

⁶⁹ Burt 2001.

⁷⁰ Winship, James. “Challenges in Evaluating Programs Serving Homeless Families” *Journal of Children and Poverty* 7 2 163-177, 2001.

⁷¹ U.S. Conference of Mayors 2002.

⁷² HUD. 2000. Rental Housing Assistance – The Worsening Crisis. A Report to Congress on Worse-Case Housing Needs. Washington, D.C.: Office of Policy Development and Research.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Burt, M.R. (2001). What will it take to end homelessness? Urban Institute Brief. Washington, D.C.: Urban Institute

The data on numbers of homeless persons and defining exits from homelessness clearly shows why evaluations of homeless assistance programs are difficult to obtain. Defining what measures to evaluate is subjective (i.e. how long to wait to see if a person becomes homeless again?) and tracking the population for a true understanding of the numbers of homeless persons is difficult, as it is a “revolving door” situation. Persons can become homeless and exit homelessness multiple times in a lifetime. A shelter or program may have no way to know if its clients have visited other shelters, especially if it was not recent. If we had verifiable numbers for the population and the duration of homelessness, we could better plan services as well as have more success at finding more financial resources.

Current Demand State-Wide

According to a point-in-time survey in January 2005 for North Carolina, 11,165 persons were homeless, increasing by 1,000 from the 2003 count. Out of this number, 2,303 were children. The state Interagency Council on Homelessness (ICH) suggests that changes in the mental health system and releases from the criminal justice system have led to this increase.⁷⁶ The point-in-time count and Emergency Shelter Grant reports also show that some national trends are true for North Carolina like 30-40% of the homeless suffer from mental illnesses and a similar percentage struggle with substance abuse.⁷⁷

In homeless policy, North Carolina is working to have 10 Year Plans to End Homelessness in place across the state.⁷⁸ Eight cities are currently working to create these plans, and four cities already have plans. The state has created a draft plan, and a final plan is forthcoming. A draft of the plan states that homelessness in North Carolina is increasing, so the state ICH has decided to focus on prevention and permanent housing as their key strategies to deal with this increase.⁷⁹ Most benchmarks in the plan relate to permanent affordable housing: for disabled persons, persons being “discharged” from criminal justice or mental health systems, and previously for homeless households. Only one benchmark relates to providing

⁷⁶ NC Department of Health and Human Services. “Ending Homelessness in NC” <http://www.dhhs.state.nc.us/homeless/homelessfacts.htm> November 2, 2007.

⁷⁷ Ibid.

⁷⁸ 10 Year Plans are being encouraged by the national Interagency Council on Homelessness as a way for localities to focus resources and better strategize to end homelessness. The effort was begun five years ago. 10 Year Planning Process to end Chronic Homelessness in Your Community <http://www.ich.gov/slocal/plans/toolkit.pdf> November 7, 2007

⁷⁹ 10 Year Plan <http://www.dhhs.state.nc.us/homeless/10yrendhomelessplan.pdf>

increased shelter capacity, indicating that from a state policy viewpoint, the focus is not on emergency and transitional housing programs but is heavily focused on permanent housing and prevention.⁸⁰

The Homeless Facilities Inventory of June 2007 shows that out of 100 counties, eighteen have no homeless residential program at all, and twenty-six only have a domestic violence shelter. Fifty-six counties, however, have at least one shelter or program providing housing to the homeless. Thirteen counties have all three forms of homeless residential assistance (emergency, transitional, and permanent housing programs)⁸¹, which means only those thirteen can feasibly achieve the desired progression of emergency to transitional to permanent housing. Including domestic violence shelters, North Carolina has approximately 5,000 emergency beds, 4,000 transitional beds, and 1,000 permanent beds.⁸² While these numbers almost equal numbers from the point-in-time survey, two points must be considered: the survey is two years old and numbers could have increased as they did between 2003 and 2005, and a point-in-time count can underestimate the homeless population. Other issues of concern are that level of service varies across the state, and forty-four counties have no specific homeless residential programs.

Strengths/Limitations of Shelters

Emergency shelters can play a significant role in re-housing families; however studies have demonstrated some key variables that affect a client's experience in an emergency shelter.⁸³ Burt suggests the need to look at the scale and size of homeless residential programs. She argues that emergency shelters need to be smaller and provide more personalized care, that over fifty percent of all homeless persons are being served in large and "institutionalized" settings.⁸⁴ Personal attention might be a more effective service strategy. Some argue that "shelters and services improve the living conditions of the destitute poor, but few graduate to achieve social and economic independence," and that they help some but not all.⁸⁵ Hoch and

⁸⁰ 10 Year Plan <http://www.dhhs.state.nc.us/homeless/10yrendhomelessplan.pdf>

⁸¹ Homeless Facilities Inventory June 2007.

⁸² Ibid.

⁸³ None of the studies referred to here were done in North Carolina.

⁸⁴ Hoch 1998; Burt 2001.

⁸⁵ Hoch 1998.

Bowden argue that they are “the least attractive option for most of the destitute poor.”⁸⁶

However, Hoch and Bowden also acknowledge that shelters provide basic goods that homeless persons need: food and shelter.

According to Burt, households with children are more likely to use shelters and transitional housing programs, and families are usually better served by the homeless assistance program than other subsets of the homeless population. They also provide the least “trouble” for providers and are more likely to follow rules and behavior standards.⁸⁷ Families and women with children are also more likely to exit homelessness after only a short period, followed by single women.⁸⁸ Single women are more likely than men to use shelters, and single men are more likely to sleep in places “not meant for human habitation,” and to use food banks; this could be due to the fact that women tend to have a better experience in shelters than men.⁸⁹

Single men tend to benefit less from the homeless assistance network; they usually do not receive high quality services unless they have mental illness or substance abuse problems.⁹⁰ Two adults of opposite sex who were not married were least likely to benefit from the homeless assistance network, because many shelter programs do not allow two unmarried adults to stay together.⁹¹ Hoch and Bowden argue that women are more likely to prefer transitional housing over emergency shelter. One reason for this could be that emergency shelters sometimes “reorganize” households; for example, many exclude adolescent male children.⁹² In sum, this research could show that shelters and programs have adapted well to serving homeless families and may have even adapted too well. Single adults do not appear to receive the same services; this could be because resources have been redirected to homeless families or could suggest that shelters and programs were never well-targeted to single adults.

⁸⁶ Hoch 1998.

⁸⁷ Burt 2001; Burt 1999.

⁸⁸ Zlotnick 1999.

⁸⁹ Hoch 1998; Burt 1999.

⁹⁰ Burt 2001; Hoch 1998.

⁹¹ Burt 2001.

⁹² Hoch 1998.

This discussion is useful for this study because it suggests a number of questions that might be asked in assessing each shelter and program in both the overview and case studies.⁹³

1. Who are their clients? Who do they exclude?
2. How many clients do they serve?
3. What is their staff size?

These questions are in addition to questions outlined above: services provided, policies/rules, length of stay, how exits are obtained

⁹³; Services provided will not be discussed in regards to the overview because of the commonality of services provided by homeless service providers. After an initial study of services provided, I realized most homeless service providers in addition to providing shelter of varying durations also provide basic needs like clothing and food as well as job training and housing assistance.

III. Factors Impacting the Success or Failure of Shelters

What Factors Impact a Shelter?

Most emergency shelters and transitional housing programs are run by nonprofit organizations (NPO).⁹⁴ Not only are they serving a unique population and trying to meet challenging needs in our society, but they also face difficulties that all nonprofits must confront. Capacities among shelter and transitional programs vary widely.⁹⁵ In the past ten to fifteen years, nonprofits have come under increasing scrutiny because of scandals in the nonprofit sector and are experiencing a growing movement to professionalize nonprofits. According to Light, “the nonprofit sector has never been under greater pressure to improve.”⁹⁶ Homeless assistance programs are no exception to the increasing trend of proving cost effectiveness and actual performance, as they must show their “value and impact of their programs to funding agencies”.⁹⁷ As funding becomes more competitive, emergency shelters and transitional programs must demonstrate their need for funding and their effectiveness as an organization. “The pressure to get better is unlikely to abate and the number of reform efforts is unlikely to decline;” emergency shelters and transitional programs are unlikely to escape this overwhelming trend among nonprofits.⁹⁸

In this section, I will be examining literature on the factors that contribute to the success and failure of nonprofits, which are transferable to emergency shelters and transitional housing programs. The most relevant definition of success is: the ability to perform daily operations and be viable long-term. I will not extensively study literature on outcome measurement in human services as a measure of effectiveness: outcome measurement and success in human services, similar to nonprofit effectiveness, is difficult to define, and there is less literature available on universal characteristics.

What makes a successful nonprofit organization and thus a successful homeless assistance program? A variety of factors contribute to an organization’s effectiveness; no one factor will make an organization successful, because “nonprofit organizational effectiveness is

⁹⁴ Burt 2001; Cunningham NAEH; Burt 1999; Weinreb 1995

⁹⁵ Weinreb 1995.

⁹⁶ Light, Charles. “Making Nonprofits work” Brookings Institution Press Washington, D.C.: 2000; Bernstein, Philip. “Best Practices of Effective Nonprofit Organizations” The Foundation Center 1997.

⁹⁷ Winship 2001.

⁹⁸ Light 2000.

multidimensional”.⁹⁹ Nonprofit organizations need a clear mission, because the mission is the reason for an organization to exist.¹⁰⁰ For emergency shelters and transitional housing programs, their mission should be serving the homeless. How they specifically define their mission will greatly influence the services they provide and the goals they hope to achieve. If it is too broad, they could overextend themselves and lose focus; if it is too narrow, they might not be meeting needs.¹⁰¹

NPOs need strong leadership, executives with clear goals and vision, who have the ability to make tough decisions, who understand the population being served, and who can motivate others.¹⁰² In addition to strong leadership, NPOs need good managers who can supervise staff and make organizational decisions as well as support the executive director.¹⁰³ NPOs also need an experienced, capable staff with little turnover and burnout.¹⁰⁴ According to Hoch, shelter staff members are low paid, with forty-five percent of shelters nationwide providing entry level salaries of \$16,000 or less. If staff members are low paid, it could be difficult to find and retain high quality individuals. “Program effectiveness depends, to a great extent, on how well motivated, trained, and experienced are the staff who deliver the program services.”¹⁰⁵ The other issue of interest is having enough staff. According to a 1990 survey of shelters, staff numbers vary from less than four, four to ten, and eleven or more.¹⁰⁶ This study also showed a reliance on volunteers and that forty percent of staff had undergraduate degrees, but another forty percent only had high school educations.¹⁰⁷

An area of great importance, necessary for the organization’s daily operation, is adequate finances and the ability to fundraise. Some potential funding sources are annual

⁹⁹ Rohe. “Failures, Downsizings, and Mergers among CDCS” *Housing Policy Debate* 14 1-2: 2003; Renz, David. “The Changing Face of Nonprofit Effectiveness.” Midwest Center for Nonprofit Leadership, Kansas City.

¹⁰⁰ Light 2000; Light, Paul. “Sustaining Nonprofit Performance” Brookings Institution Press Washington, D.C. 2004.

¹⁰¹ Rohe 2003.

¹⁰² Light 2000; Todd 2001; Katz, Robert. “The Not-for-Profit Sector” *Journal of Private Equity* 2005; Rohe 2003.

¹⁰³ Block, Stephen. “Why Nonprofits Fail” Jossey-Bass. San Francisco, CA: 2004.; Rohe 2003; Renz Midwest Center for Nonprofit Leadership

¹⁰⁴ Rohe 2003.

¹⁰⁵ Weinreb 1995.

¹⁰⁶ Ibid.

¹⁰⁷ Weinreb 1995.

campaigns, endowments, foundations, and government grants.¹⁰⁸ In order to get these sources, every NPO must have staff members who know how to run fundraising campaigns and write grants. NPOs also need to plan and budget well; ultimately they need to be good money managers. An organization will fail if it is not fiscally healthy, so the importance of adequate funding cannot be overestimated.¹⁰⁹ Fundraising is an important area for board involvement; having the board participating in fundraising greatly enhances the success of fundraising efforts.¹¹⁰ Emergency and transitional homeless programs often have to “patch together funds from a variety of sources,” and most have more than one source of funding, from private to governmental.¹¹¹

The other aspect of fundraising that must be considered is conditions placed on funds received. Are they restricted to certain uses? This will provide necessary funding for the organization but could limit its flexibility and ability to be responsive to changing needs.¹¹² Using nine in-depth case studies of nonprofits, the Center on Nonprofits and Philanthropy found that the weakest nonprofits in their study had less than \$1.2 million in annual expenditures and half of their funding was restricted. The strongest nonprofits had expenditures over \$2 million annually and received little or no restricted funding sources.¹¹³ Through these case studies, the researchers also suggest that using “overhead cost and fundraising cost ratios as stand-ins for measures of program effectiveness,” is not entirely accurate and that many nonprofits should be spending more on their infrastructure and overhead.¹¹⁴ They also suggest that any nonprofit with less than \$1 million in annual expenditures will struggle with infrastructure challenges.¹¹⁵ Essentially this study illustrates the tension between program and operational expenses.

Lastly, NPOs need to measure or assess the outcomes they produce. These evaluations need to be on a regular basis (quarterly, annually, etc) so that the organization can see its results

¹⁰⁸ Bernstein 1997.

¹⁰⁹ Block 2004.

¹¹⁰ Ibid.

¹¹¹ Weinreb 1995.

¹¹² “Getting What We Pay For” Nonprofit Overhead Cost Project. Center on Nonprofits and Philanthropy, Urban Institute. Brief No 3. August 2004.

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ “Getting What We Pay For” August 2004.

and impacts as well as what is not being done and gaps in its performance.¹¹⁶ These evaluations can make organizational changes meaningful and well-planned because changes will be in response to documented organizational needs. The other important aspect of outcome assessment and performance evaluation is that they show the value of the work of nonprofit organizations and the societal returns being garnered from their work and investment in communities.¹¹⁷ In a study of homelessness in New York City, Campbell and McCarthy study “the placement of clients into long-term housing or rehabilitation settings and low rates of recidivism.”¹¹⁸ If a shelter performs well in these areas, shelter stays will be shorter and more clients can be served. This type of outcome measurement will be addressed to a degree in a few case studies. Most NPOs, however, do not collect performance data, and this is true for many emergency shelters and transitional housing programs. Often they do not have the funds or the capacity to do extensive data collection. “There is not one approach that is successful for all homeless families,” so judgments from outcome measurement and performance data must take into account the diversity of the homeless population.¹¹⁹ Additionally, there are a number of other factors that will not be discussed in detail but are important for an NPO’s effectiveness: communication, flexibility, collaboration, accountability, efficiency, and innovativeness.¹²⁰

A significant issue facing all NPOs, but especially important for emergency shelters and transitional housing programs, is organizational infrastructure (accounting, information technology, human resources, physical plant, etc¹²¹) and capacity building.¹²² “Nonprofits have been doing more with less for so long that many now border on doing everything with nothing.”¹²³ In order for organizations to be effective, they need access to resources and well-trained employees, as well as adequate staffing.¹²⁴ These needs require providing competitive salaries, which is not all that common, especially among smaller nonprofits.¹²⁵ Also related to

¹¹⁶ Berstein 1997; Light 2004; Katz 2005.

¹¹⁷ Light 2004.

¹¹⁸ Campbell, G.J. and E.J. McCarthy. 2000. Conveying mission through outcome measurement. *Policy Studies Journal* 28 2 338-352

¹¹⁹ Fischer 2000.

¹²⁰ Berstein 1997; Light 2004

¹²¹ “Getting What We Pay For” August 2004.

¹²² Light 2004; Light 2000; “Getting What we Pay For” 2004.

¹²³ Light 2004.

¹²⁴ Ibid.

¹²⁵ “Getting What We Pay For” 2004.

capacity is the need to have adequate and maintained facilities.¹²⁶ If staff spend time dealing with leaking roofs and finding furniture, it is not spending necessary time focusing on fundraising, programs, and data collection, limiting its effectiveness as an organization.¹²⁷ The difficulty lies in the fact that many of these expenditures fall under “overhead,” and not programs. Most funders want to see their donations used for programs, again showing the tension between programmatic and operational expenses.

All of these factors need to be examined when studying emergency and transitional shelters and they outline areas of study nicely: 1) mission, 2) leadership and staffing, 3) financing, 4) outcome measurement, and 5) organizational infrastructure. Unlike criteria described in the literature review, these criteria will only be applied to case study programs and shelters as a way to discover why some are more successful than others. Another important point is that “nonprofit organizational effectiveness is always a matter of comparison.”¹²⁸ A great diversity exists among emergency shelters and transitional programs that will make complete conclusions difficult. The other aspect of nonprofit success brought out in the literature is the need to look at network effectiveness and how individual nonprofits work together¹²⁹. This could be especially true for emergency and transitional housing programs.

Criteria

Based on the research outlined above, these criteria will be covered. Descriptive questions to be discussed for each case study are:

1. Who are their clients? Who do they exclude?
2. How many clients do they serve?
3. What is their staff size?
4. Services provided?

¹²⁶ Katz 2005.

¹²⁷ “Getting What We Pay For” 2004.

¹²⁸ Renz Midwest Center for Nonprofit Leadership

¹²⁹ Ibid.

Other areas to be examined are policies/rules, length of stay, and how exits are obtained. The key criteria or factors that affect an organization's success that will be applied to each case study as outlined above are:

- (1) Mission
- (2) Leadership and staffing
- (3) Financial base
- (4) Outcome measurement
- (5) Capacity or organizational infrastructure.

IV. Overview and Case Studies

Since 1994, the North Carolina Housing Finance Agency has funded twenty-nine homeless shelters; twenty-six of those are currently serving the homeless, and three are under construction.¹³⁰ Geographically these shelters and housing programs are spread throughout the state of North Carolina from Wilmington to Asheville serving seventeen counties. Sixteen of the twenty-nine are in HUD participating jurisdictions, and twenty are CDBG entitlement cities. Details about each program are outlined in the table below.

A few serve veterans or single men only, but most serve individuals (male and female), families, or both. Fourteen programs are transitional housing, seven are emergency shelters, and five are combined emergency and transitional housing. Only seven have the capacity to serve over fifty people, and four can serve between twenty and fifty people; eighteen programs serve twenty people or less. These capacities are also illustrated in the design of these programs, with nine having a dormitory style, ten with shared bedrooms, and eight with apartments. Two exceptions are one shelter designed as single room occupancy (SRO) and one with townhomes. The other significant detail to note from this overview is that most organizations running emergency or transitional housing programs are local in orientation. There are only a few regional or national organizations involved, like YWCA and CASA.¹³¹ Every organization is a nonprofit organization.

There are a few trends that this overview illustrates. First smaller shelters and programs appear to be more common than large shelters and programs. Reasons for this could be funding or intentional design. It is not geographic location because there are both small and larger programs in the largest cities in the state though small cities have very few programs that serve more than twenty people. This trend of smaller programs is important to note because the literature recommends smaller shelters and programs because those environments are more conducive to building relationships with clients. It could also suggest the difficulty in raising enough funds to operate a large program. Second, six programs have experienced changes, either in the managing organization or in their client base. This trend demonstrates that nonprofit organizations find it difficult to maintain their organization in the long-term and that

¹³⁰ NCHFA has also funded eighteen domestic violence shelters since 1994, and a number of permanent housing programs, most recently through the Housing 400 Initiative.

¹³¹ See Table 1 describing homeless shelters

some organizations have to change their client base in order to fit their organizational and staff skills. This trend could also suggest that a community's needs change over time and these programs adjusted to those changes.

Third, only nine programs out of the twenty-nine serve both individuals and families, which supports research discussed above, that homeless individuals and homeless families have different needs and cannot be treated the same. Two thirds of agency funded homeless service organizations target their programs and services to either individuals or families, not both. Six programs serve only persons struggling with mental illness and/or substance abuse, which supports the idea that every homeless person is different and must receive services that address his or her specific issues. These programs deserve further study because they could be experiencing greater effectiveness with a narrow focus as opposed to a broader focus. The shelters with broader client bases that do not exclude clients with mental illness and/or substance abuse are probably unable to provide the same quality of services as they are serving homeless individuals and/or families as well; however, this client targeting must be balanced with the other shelters and programs in the community so that all subsets of the homeless population are served within a community. Fourth, transitional housing programs are the most common, and this trend merits further study as to why transitional housing seems to be more popular than emergency shelters in North Carolina. Lastly, the agency is consistently funding expansions and new construction of facilities. Fifteen shelters and programs have received funding since 2000 and fourteen received funding between 1994 and 2000. Demand is not decreasing, and demand for agency funding could even be increasing, but the agency at this time is unable to significantly expand its funding for these programs. Because the scope of this study is limited, it is also unknown if any program construction or expansion has occurred without agency funding.

Table 1. Overview of state funded programs.

Property Name	City	Completion Date	Population Served	Type	Units	Lead Agency	Still in operation	Design
AHOPE Safe Haven	Asheville	Nov-99	Individuals (MI)	Transitional	6	Hospitality House	Yes	Dormitory
Alternatives for Families	Asheville	Oct-97	Families/ Children	Transitional	6	Eliada Homes	Yes; Houses program interns	Apartments
Sojourner House/Phoenix House	Asheville	Feb-97	Individuals/ families	Emergency/ Transitional	11	Hospitality House	No; Both sold	Shared bedrooms
Green Renovation	Asheville	Mar-99	Families	Emergency	5	Eliada Homes	Yes, Houses program interns	Apartments
YWCA-Women in Transition	Charlotte	Dec-05	Women	Transitional	66	YWCA	Yes	Shared bedrooms
Durham Community Shelter	Durham	Feb-03	Individuals/Families	Emergency/ Transitional	126	County of Durham	Yes	Dormitory
Genesis House	Durham	Mar-98	Families	Emergency/ Transitional	17	Genesis Home	Yes	Apartments
The Ark	Elkin	Sep-06	Families/ women	Transitional	2	Echo Ministry	Yes	Shared bedrooms
The Hope Center	Fayetteville	Jan-97	Men	Emergency	21	Coalition on Services to the Homeless	No	Dormitory
With Friends Homeless Youth Shelter	Gastonia	Jun-04	Children	Transitional	9	With Friends	Yes	Shared bedrooms
Servant House	Greensboro	Dec-99	Disabled Men	Transitional	21-26	Servant Center, Inc	Yes	Shared bedrooms
Greenville Community Shelter	Greenville	Sep-01	Individuals/ families	Emergency	78	Greenville Community Shelters, Inc	Yes	Shared bedrooms
Greenville Community Shelter	Greenville	Mar-99	Individuals/ families	Transitional	13	Greenville Community Shelters, Inc	Yes	Apartments
Exodus Homes	Hickory	Dec-01	Individuals/ families(SA)	Transitional	12	Exodus Outreach Foundation, Inc	Yes; compliance concerns	Apartments
Family Care Center	Newton	Sep-96	Families	Emergency	4	Family Care Center, Inc.	Yes	Apartments
Harrington Place	Raleigh	Mar-99	Women and Children(SA/MI)	Transitional	12	CASA	Yes; Changed to permanent housing	Apartments

Property Name	City	Completion Date	Population Served	Type	Units	Lead Agency	Still in operation?	Design
The Healing Place	Raleigh	Jan-01	Men(SA)	Emergency/ Transitional	165	The Healing Place, Inc.	Yes	Dormitory
The Healing Place Women and Children's Facility	Raleigh	Nov-05	Women/ Children(SA)	Emergency/ Transitional	88	The Healing Place, Inc.	Yes	Dormitory
House the Children	Rocky Mount	Jul-02	Families	Transitional	12	United Community Ministries	Yes	Shared bedrooms
The Beacon	Shelby	Jul-99	Men	Emergency	13	Transferred to Abuse Prevention Council	Yes, but severely struggling	Dormitory
Tarboro Community Outreach Shelter	Tarboro	Jul-01	Individuals	Emergency	24	Tarboro Community Outreach	Yes	Dormitory
Project Homeward Bound	Wadesboro	Oct-03	Women/ Children	Transitional	4	Sandhills Community Action	Yes	Shared bedrooms
Eugene Ashley Jr. Memorial Center	Wilmington	Jun-01	Veterans and non-Veterans	Transitional	24	Transferred to Good Shepherd Ministries	Yes	SRO
St. James Annex	Wilmington	Sep-05	Individuals/ families	Emergency	118	Good Shepherd Ministries	Yes	Shared bedrooms
Vives Cottages	Winston-Salem	Nov-94	Veterans	Transitional	5	Transferred to ESR	Yes; possibly for sale	Apartments
Flynn Christian Homes	Wilson	Dec-96	Men(SA)	Transitional	14	Flynn Christian Fellowship Home of Wilson	Yes	Shared bedrooms
Fifth Street Ministries Shelter	Statesville	Dec-2008	Men, women, families	Emergency	136	Fifth Street Ministries	Not open yet	Dormitory
Hope Station	Wilson	July-2007	Men	Emergency	20	Wilson County Interfaith Services	Newly opened	Dormitory

As mentioned above, fifty-six counties have some form of homeless shelter or housing program, and this agency overview is a sample of possible characteristics of these programs. My case studies will come from this agency overview, partly because any shelter or program the agency has funded sought agency funding in order to build or expand its operations, suggesting some level of capacity and permanence. The six case studies are outlined in the table below.

Table 2. Case Studies.

Property Name	City	Completion Date	Population Served	Type	Units	Lead Agency	Income Level	Still in operation?	Design
AHOPE Safe Haven	Asheville	Nov-99	Individuals (MI)	Transitional	6	Hospitality House	Below 50% local AMI	Yes	Dormitory
Genesis Home	Durham	Mar-98	Families	Emergency/ Transitional	17	Genesis Home	Below 60% local AMI	Yes	Apartments
The Hope Center	Fayetteville	Jan-97	Men	Emergency	21	Coalition on Services to the Homeless	Below 50% local AMI	No	Dormitory
Exodus Homes	Hickory	Dec-01	Individuals/ families(SA)	Transitional	12	Exodus Outreach Foundation	Below 30% local AMI	Yes; compliance concerns	Apartments
The Healing Place	Raleigh	Jan-01	Men(SA)	Emergency/Transitional	165	The Healing Place, Inc.	Below 30% local AMI	Yes	Dormitory
The Beacon	Shelby	Nov-99	Men	Emergency	13	Transferred to Abuse Prevention Council	Below 30% local AMI	Yes, but severely struggling	Dormitory

Case Study 1 – Beacon

The Beacon is an emergency shelter in Shelby, a town with a population of approximately 20,000 people.¹³² Shelby's median household income is \$29,345, below the national median of \$41,994, and 14.3% of families live below the poverty level which is higher than the national family poverty rate.¹³³ This shelter has thirteen units but can serve up to twenty-six people and is designed as a dormitory style living arrangement. It serves only single men, therefore excluding families, women, and children. The average length of stay is between thirty and sixty days. Some services are provided on-site by the staff, but clients are also referred to social service agencies like the Employment Security Commission (ESC), the local community college, and the Mental Health Center.

The emergency shelter has a number of policies and rules. First, there is a resident handbook available for the clients explaining shelter rules and policies. Clients are admitted between 5 pm and 7 pm everyday, and the shelter is open from 5pm to 8am, serving mainly as a night shelter because clients are not allowed to remain on-site during the day. There is no minimum length of stay, but the maximum stay is ninety days; clients are permitted to stay three times each year. When a client exits the shelter by choice, they are not allowed to return for two weeks, which is an attempt to encourage clients to remain long enough to receive some of the services they need. Clients can be suspended from the shelter due to the violation of program rules/guidelines; each client works with a case manager and has a contract with a social service counselor. Searches of rooms and personal possessions are also a program policy.

The Beacon is currently being managed by the Abuse Prevention Council, which has been in existence for over twenty years. This organization's mission is to serve survivors of domestic violence and sexual assault and the homeless of Cleveland County, and in addition to running this emergency shelter, it provides a crisis hotline, counseling, advocacy, and children's programs. It currently has a staff of fifteen and a significant volunteer base.¹³⁴

¹³² U.S. Census Bureau. Census 2000 Demographic Profile Highlights.
http://factfinder.census.gov/home/saff/main.html?_lang=en January 3, 2008.

¹³³ Ibid.

¹³⁴ See organizational website. (<http://www.geocities.com/clevelandcountyapc/>)

Key Factors

In 1993, this program served 636 persons, and in 2002 the shelter served 468 persons with a daily average occupancy of nineteen persons, so service levels dropped over this nine year period. The Beacon has experienced turnover in leadership with three Executive Directors since 2002. The Shelter Manager, however, has been with the shelter for over five years. It is consistently well-occupied, but this shelter has experienced consistent maintenance concerns such as leaks, mold, damaged sheetrock and vinyl siding.¹³⁵ While the shelter has addressed these issues in a timely manner, they continue to arise.

The other problem with this shelter is that the managing organization has changed. The initial organization the agency funded, the Cleveland County Coalition for the Homeless, was dissolved in 2003, because of financial constraints and loss of the Executive Director. In 2003, all of its assets and liabilities were transferred to a different organization: the Abuse Prevention Council (APC); the APC did not focus on serving homeless men at the time. The APC has been running the Beacon and amended its mission to include serving the homeless; this solution, however, was never intended to be a permanent one. The momentum to find a more viable solution has increased in the last few months, and in January of 2008, the local newspaper published an article describing the potential future of the Beacon and the need for new leadership. The current hope is that the church community of Shelby will take a leadership position and run the Beacon.¹³⁶ The APC has pledged to remain in its current position until a replacement organization is found, but it has no desire to continue managing the Beacon. An obstacle that might discourage the church community or another nonprofit from getting involved is the need to add a commercial kitchen, which would cost \$30,000.¹³⁷

The financial status of an organization can reveal a great deal about its capacity and stability. Annual financial reports from 2004, 2005, and 2006 are available for the APC as a whole. There is no break out of finances for the homeless shelter versus the organization's domestic violence shelter and other programs. Though their finances are combined, the 2005 report reveals organizational revenue of approximately \$550,000 which is a 10% decrease from

¹³⁵NCHFA audits each of its emergency and transitional shelters once every two years and will audit annually if a shelter is experiencing difficulties. In these audits, occupancy and maintenance performance are recorded.

¹³⁶ Wilson, Cherish. "Epiphany Summit." Shelby Star 1/1/2008

¹³⁷ DeLea, Pete. "Beacon in Need of New Home" Shelby Star 12/14/2006

2004. As expected, the three most significant parts of this revenue are direct contributions, United Way funding, and grants which consisted mostly of state and federal assistance. This organization is barely able to cover its expenses, which totaled approximately \$535,000 in 2005. This was a slight decrease from 2004. Seventy-five percent of its expenses are for program services, leaving twenty-five percent for management and general expenses. Sixty percent of all expenses are devoted to salaries, meaning the organization spends over \$300,000 on salaries and over \$350,000 if medical insurance is included. The organization spends approximately \$13,000 of its budget on travel and training for staff. Its revenue in 2006 reached \$530,000 while its expenses were \$550,000. Salaries were the greatest expense followed by medical insurance, payroll taxes, utilities, depreciation, and travel/training.

Additionally this organization has a fair amount of debt, with two notes expiring in 2006, one in 2016, and one in 2019. The organization has so far been able to pay down its debt, paying back a note in 2004, and long-term debt is its greatest liability totaling approximately \$250,000. It has approximately \$450,000 in assets, of which \$100,000 is liquid; the rest is the property, plant, and equipment. This liquidity has increased slightly from 2004.

Case Study 2 – Exodus Homes

Exodus Homes has a transitional housing program for individuals and families in Hickory, which is a city of 37,000 people.¹³⁸ Hickory has a median household income of \$37,236, which is only slightly lower than the national median, and 8.4% of families are living below the poverty level. This transitional housing program has twelve apartments and is only one part of this organization's county-wide programs; it has programs at five other locations, and the organization has been in existence since 1998. Exodus Homes' organizational mission is to serve persons with substance abuse and/or formerly incarcerated persons. It is a faith based organization and also a United Way agency. This organization works with community agencies and has a partnership with Mental Health.

¹³⁸ U.S. Census Bureau. Census 2000 Demographic Profile Highlights.
http://factfinder.census.gov/home/saff/main.html?_lang=en January 3, 2008.

Clients are referred by other homeless shelters, Alcoholics Anonymous (AA), detox programs, and other substance abuse programs. This organization wants clients to be “clean” when they enter the program. Its two programs are supervised independent living and family preservation/reunification. Before entering the supervised independent living program, most clients spend two weeks in intensive crisis stabilization. Supervised independent living has three phases, and client compliance during each phase leads to more independence. The family preservation program is for clients with substance abuse to regain or keep custody of their children.

Most programs involve daily recovery groups and weekly recreational outings. The organization promotes the 12-Step recovery program and AA/NA (Narcotics Anonymous) meetings. Meetings are required for clients in all phases; all three phases have curfews, and only in Phases 2 and 3 are clients allowed overnight passes. Participation in faith-based activities is not required, but clients are required to keep their units clean and help cook meals. There are also life skills classes, residents volunteer on-site, and clients must take and pay for random drug tests. Clients who do not comply with program policies are fined. The maximum stay is twenty-four months, but some clients have remained in the program up to three years, and individualized lengths of stay are possible. Since some clients remain for longer than two years, this organization has changed its mission to providing transitional and long-term housing to be more in keeping with the needs of its clients. Exodus Homes has also recently started a new program, a vocational training program. Residents receive on-the-job training, and the activities of that program generate revenue for the organization.

Key Factors

The mission statement of this organization is that it will “provide supportive housing with comprehensive services to meet the needs of people in recovery from drug addiction, alcoholism, or incarceration.”¹³⁹ The program has a staff of eight, but approximately twenty volunteers and residents also have staff responsibilities and help run the program.¹⁴⁰ Eighty

¹³⁹ See organization’s website (www.exodushomes.com)

¹⁴⁰ Ibid.

three percent of the staffing or operation of this organization is done by volunteers, current, and former residents.¹⁴¹

This program is consistently well-occupied, but it has faced maintenance concerns of minor and major significance, from peeling paint to code violations. The organization, however, is planning an extensive renovation which would greatly reduce the likelihood of significant maintenance concerns in the future. The greatest issue for this organization is that both NCHFA and the Emergency Shelter Grant (ESG) are concerned that it is not complying with certain rules about housing and fees, which is discussed below.

The most recent financial statement for Exodus Homes is from 2005, and this data is for the entire organization, not just the transitional housing program funded by NCHFA. Total organizational revenue was \$514,186, and total organizational expenses were \$527,471. Both revenue and expenses have increased since 2004, with revenue increasing slightly more than expenses. Resident fees, contributions, and grants are the bulk of this organization's revenue; resident fees are approximately 70% of revenue, making it the most significant part.¹⁴² Expenses are eighty-six percent for program services, and twenty-five percent of total expenses are for salaries. Salaries have increased slightly from 2004. This organization also has about \$1 million in debt, with notes to NCHFA, a local bank, and the city. This long-term debt is its greatest liability. It has over \$1 million in assets, but only \$50,000 of those assets are liquid or not tied into the property or equipment; however, this liquidity has increased slightly from 2004.

The resident fees are the cause of most of the concern about this organization. HUD has a standard of 30% of a person's income can be devoted to housing expenses, but residents pay \$480 per month for transportation and utilities. Many residents are not employed or employed in low wage work, which makes these fees seem somewhat excessive. This concern has recurred a few times over the past few years. As noted above, resident fees are necessary for this organization's revenue.

¹⁴¹ See organization's website (www.exodushomes.com)

¹⁴² Ibid.

Case Study 3 – Hope Center

This program closed in 2006 for financial reasons, and the nonprofit organization dissolved soon after. This program was located in Fayetteville, a city of 120,000 persons, with a median household income of \$36,000 and a family poverty rate of 11.7%.¹⁴³ This level of income is \$5,000 lower than the national median, and the family poverty rate is 2% higher than the national rate.¹⁴⁴ The managing nonprofit was established in 1989 and incorporated in 1993. In 1994, it began operating a day center for the homeless, and the overnight shelter was opened a few years later. It held twenty-one beds for homeless men. The Hope Center served the homeless, the at-risk, and the low income, charging no fees or rent. It offered meals and computer and GED classes. It had partnerships with the Employment Security Commission, Department of Social Services, and Department of Motor Vehicles as well as local medical clinics, Job Services Training Center, and local universities.

The Day Center was open from 9am-5pm Monday through Thursday and from 9am to 1pm on Fridays. It offered shower and laundry facilities as well as clothing, hygiene items, legal identification, a mailing address, and referrals to other community agencies. The overnight shelter was open from 6pm to 8am Monday through Friday and from 6pm to 6am on the weekends. It also offered workshops on job training and help locating housing and employment resources. Clients had to register with the ESC, submit to random drug tests and possessions checks, and help keep the shelter clean. If clients did not register by curfew, they lost their bed for the night. Clients were also expected to open a savings account and deposit 20% of their earnings into the account; they were to show the Executive Director their monthly bank statements. The emergency shelter had a maximum stay of ninety days.

Key Factors

Their organizational mission was to “provide and coordinate services to the homeless and to assist with the rehabilitation of these persons into mainstream society.”¹⁴⁵ There is documentation to show that from November 2004 to December of 2005, this shelter was consistently fully occupied, which suggests high occupancy rates in the years preceding. It also

¹⁴³ Census 2000 Demographic Profile Highlights <http://factfinder.census.gov>

¹⁴⁴ Ibid.

¹⁴⁵ Organizational brochure in Agency file.

served an average of 350 to 400 people per month. At the time of application to the agency for funding, the organization had four staff and a small volunteer base.

The most recent financial data is from 2004 and 2003. It shows total assets of \$175,000 in 2004 and approximately \$195,000 in 2003. Their revenue for 2004 and 2003 was roughly the same at \$83,000, and expenses were \$100,000 in 2004 and \$80,000 in 2003. The main component of their revenue was grants at 75%, or over \$60,000, and the County of Cumberland and the VA supplied the bulk of these grant funds. Their other source of income was contributions. The organization's major expenses were wages at over \$50,000 in 2004 and \$33,000 in 2003. Other significant expenses were utilities, rent, depreciation, contract labor, professional fees, and payroll taxes. Financial data from 2002 shows an asset level of almost \$200,000, revenue of almost \$100,000, and expenses of \$75,000. These revenue and asset levels are the lowest of the case study programs.

The agency documented maintenance concerns of a significant degree that were creating safety hazards for clients in 2000; in its previous review in 2003, however, the agency had no concerns. Those maintenance concerns in 2005 were an indication of its financial stress since it closed in that same year because of a lack of revenue. Since closing, the facility has reverted to the state housing finance agency because of the loan still owed to it.¹⁴⁶ When this program closed, two other shelters were available for homeless men in Fayetteville.¹⁴⁷ Now only one male homeless shelter remains, and that organization does not have the capacity to expand its operations.¹⁴⁸ Recently progress has been made towards reopening the former Hope Center, because the city of Fayetteville could take over the empty facility.¹⁴⁹ The city would buy the shelter and lease it for free to a local nonprofit organization.¹⁵⁰ The local Redevelopment Commission has approved the proposal, and now the City Council has to approve it.¹⁵¹ If the city council approves the plan, it could also be possible to use Community Development Block Grant funds to cover the cost of utilities for this shelter.

¹⁴⁶ Organizational brochure in Agency file.

¹⁴⁷ Ibid.

¹⁴⁸ Ibid.

¹⁴⁹ "Our View: City's Proposal to Buy" *Fayetteville Observer* December 26, 2007.

¹⁵⁰ Ibid.

¹⁵¹ Ibid.

Case Study 4 – Genesis Home

This program is located in the city of Durham, which has a population of \$187,000.¹⁵² Durham's median household income is \$41,660 which is barely below the national median, and 11.3% of families live below the poverty level.¹⁵³ Genesis Home is a seventeen unit transitional housing program with an apartment design that serves homeless families; it is the largest non-faith based shelter in Durham. It opened in 1989 at its current location, and Durham Congregations in Action provided the initial funds for its operation. The land was donated by the city of Durham and the original facility, a single family house, was donated by an individual.¹⁵⁴ Originally, the set-up was for households to share bedrooms and bathrooms, and Genesis Home could only serve six households at that time. In the mid-1990s, the board recognized the need to expand, and in 1998, Genesis Home opened its new building: a three story structure with apartment style suites where each household had its own unit.

While individuals can apply to enter Genesis Home, it also receives referrals from other homeless service providers like Urban Ministries. It initially included a daycare, which closed for two and a half years, but reopened in May 2007 as a foster care parent visitation site for the Department of Social Services. Clients can stay on-site during the day, and activities are provided for clients. There are community meetings once a week as well as meetings with case managers. Each family creates a Vision Plan and then sets weekly goals based on this plan; clients participate in a point system where they achieve points for accomplishing their weekly goals. Each adult is also responsible for certain chores. Families must pay 30% of whatever their income is to the organization for housing, and when the family graduates to permanent housing, half of the money paid to Genesis Home is gifted back to the family to help with housing costs. The maximum length of stay is two years but most clients stay a year or less.¹⁵⁵

¹⁵² U.S. Census Bureau. Census 2000 Demographic Profile Highlights.
http://factfinder.census.gov/home/saff/main.html?_lang=en January 3, 2008.

¹⁵³ Ibid.

¹⁵⁴ Phone interview with Executive Director Ryan Fehrman, January 14, 2008

¹⁵⁵ Ibid.

Key Factors

This nonprofit's mission is to "end homelessness for families with children and young people by providing housing and supportive services."¹⁵⁶ It attempts to apply this mission with two programs, Family Matters and Independent Living. Family Matters is for any family with children, and family is defined as at least one adult and one child. All parents must be enrolled in or attending school or job training, looking for work or already working; they have thirty days to verify this information upon entering the program. Genesis Home does accept persons in recovery but they must be thirty days clean prior to entering the program and submit to periodic drug screenings. Independent Living is for young adults between the ages of 18 and 21 who have aged out of foster care. They participate in personal, professional, and life skills development while at Genesis Home and must also volunteer on-site. They receive a private room but all other living space is shared. The goal for this program is for each young adult to have housing and employment upon graduation, and after graduation, the Genesis Home staff maintains contact for up to six months. This program has been in existence since 2004 but is still not operating at full capacity, only serving one to two youth at a time. The executive director would like to serve between three to five youth in this program but attributes the lack of expansion to inadequate funding.¹⁵⁷ This program is in direct partnership with the Department of Social Services, which is the source of referrals for this program.¹⁵⁸

This mission statement actually changed slightly in 2006 from providing shelter to providing housing because the organization wanted to make a shift towards including permanent housing as a way of adopting a Housing First approach. The organization also began a new program called Turning Point, which is an off-site permanent housing program. The organization is currently working on a strategic plan for the next five years because of concerns about how to stay relevant in regards to the recent paradigm shift in homeless service provision.¹⁵⁹ They hope to have a plan completed by spring of 2008, and in it hope to make certain organizational changes: incorporating elements of the Housing First model, creating a

¹⁵⁶ See organization's website January 5, 2008 (www.genesishome.org)

¹⁵⁷ See organization's 2006 annual report. <http://www.genesishome.org/pdfs/2006.pdf>

¹⁵⁸ Phone interview with Executive Director Ryan Fehrman, January 14, 2008.

¹⁵⁹ Ibid.

more streamlined application, having a shorter waiting period for interviews, and providing more assistance when clients leave Genesis Home, i.e. rental and utility assistance.¹⁶⁰

Genesis Home has a staff of ten, including an executive director, development director, volunteer coordinator, family service coordinators, and program associates. Only four positions are full-time: executive director, development director, and two case managers. For the number of clients served and programs provided, the ED says the staff is small; they cannot do everything they would like to do, which is another reason why partnerships and volunteers are important.¹⁶¹ Genesis Home has a number of community partnerships, and the Executive Director hopes to be even more deliberate about organizational partnerships in the future, especially in regards to the corporate or private sector and landlords or housing developments.¹⁶² Such partnerships could help the organization financially and could also make it easier for clients to find employment and housing.¹⁶³ Genesis Home also has community volunteers, some who serve on an ongoing basis and most who serve on an episodic basis.¹⁶⁴ The organization's largest need is for ongoing volunteers who will commit to tutoring the children at Genesis Home. Other volunteer roles are renovation and construction projects in the house, providing birthday parties, and providing presentations on job skills, parenting, etc. From the ED's description, volunteers are an integral part of the services provided at Genesis Home and an integral part of enhancing those services.

Genesis Home judges its success by a number of outcomes; the core indicator is the number of clients in permanent housing. Genesis Home is also interested in the increased earning potential of clients, which is tracked between entry and exit, with most clients experiencing a significant increase during their stay at Genesis Home. Data on the number of clients in permanent housing, clients' increased earning potential, shelter nights, and other tangible indicators are published in the organization's annual report, suggesting that the organization collects and uses data about clients served.¹⁶⁵ In 2006, it served thirty-two families and three women, of which fourteen families and one woman graduated to permanent housing.

¹⁶⁰ Phone interview with Executive Director Ryan Fehrman, January 14, 2008.

¹⁶¹ Ibid.

¹⁶² Ibid.

¹⁶³ Ibid.

¹⁶⁴ Ibid.

¹⁶⁵ Based on the 2006 Annual Report.

In 2005, twenty-six families and two youth were served, and twelve families and two youth graduated to permanent housing. Permanent housing includes subsidized and unsubsidized rental, public housing, and Section 8 housing. Most residents also experience an increase in income; in 2006 residents' income increased from \$426 per month to \$977 per month, and this is an increase over 2005, where residents' income increased from \$378 per month to \$547 per month. This organization consistently experiences high occupancy rates and has a waiting list for interviews for new openings.

The former executive director also addressed the issue of outcome measurement for Genesis Home. While acknowledging that "focusing on successful outcomes is a critical part of being a healthy nonprofit," he argued that understanding outcomes is more than looking at statistics like per night cost and the percentage of individuals who remain in permanent housing after leaving Genesis Home. Mr. Holt argued that qualitative data is also important, and through interviews with nine single mothers of varying ages completed in 2001, other achievements of Genesis Home were discovered, like the value and benefit of parenting classes and resident curfews for establishing self-discipline. An interview with the current Executive Director supports Mr. Holt's opinions, because while Mr. Fehrman acknowledges the importance of tangible indicators, he also values intangible indicators, like teaching clients financial management, life skills, parenting, and computer skills. Increased self-confidence is also counted as success because the person's self worth has grown, making them more likely to succeed in other tangible areas.

The financial status of Genesis Home is interesting with 2006 revenue of \$483,306 and total expenses of \$444,698, but in 2005 total revenue was \$541,500 and total expenses were \$567,000. In both years, government funding was the largest source of revenue, and in 2006 it was 55% of total revenue. Foundations are the next largest source of funding, and in 2006 were 13% of this organization's revenue. The largest expenses were payroll or salaries, at \$265,000 in 2006, but only \$1500 was spent on staff development. Utilities were the next highest expense at \$43,000. Lastly, while this organization has over \$1.5 million in assets only \$25,000 of those assets is liquid. The organization has approximately \$850,000 in liabilities of which \$800,000 is current and long-term debt.

In 2004, Genesis House experienced a financial crisis and had to downsize its staff because its child care program closed.¹⁶⁶ Genesis Home had been receiving revenue by operating a child care facility but the program began to lose money and became a drain on the organization. When it was closed, the organization faced a significant loss in revenue so two full-time positions were eliminated: Administrative Assistant and Program Director, with those responsibilities transferring to the Executive Director. The organization seems to have stabilized from that crisis and is in the process of adding two new part-time positions to its staff. They will be temporary positions with one position researching best practices in the field with the program planner using that research to create a “curriculum for change” for Genesis Home.¹⁶⁷ That action plan could lead to the hiring of a new full time staff position.

Case Study 5 – Homeward Bound

This organization is located in Asheville, which has a population of approximately 70,000 people.¹⁶⁸ The city has a median household income of \$32,772 which is about \$9,000 below the national median income and a family poverty rate of 10.3% which is slightly higher than the national poverty rate.¹⁶⁹ The main programs under consideration here are the day shelter, AHOPE, and the emergency shelter, Safe Haven. AHOPE is specifically for persons with mental illness and the chronically homeless. It provides snacks, services like counseling, legal assistance, medical care, access to federal aid programs as well as more daily needs like a mail box and a place for clients to store belongings or medications. There is no maximum length of stay for Safe Haven, and there is no rent, program, or service fees. The day center is open from 7am to noon Monday through Sunday, and the Safe Haven, or emergency shelter, functions as a drop in center and is open from 3pm to noon the next day. It has few rules but staff members keep daily logs on residents. The shelter and day center experienced high occupancy levels at 200 people per day in July of 2005 and serve between 2,500 and 3,000 people per year. This shelter has community partners, and its managing organization has been in

¹⁶⁶ All information from this paragraph from a phone interview with Executive Director Ryan Fehrman, January 14, 2008.

¹⁶⁷ Email correspondence with Ryan Fehrman March 24, 2008.

¹⁶⁸ U.S. Census Bureau. Census 2000 Demographic Profile Highlights.
http://factfinder.census.gov/home/saff/main.html?_lang=en January 4, 2008.

¹⁶⁹ U.S. Census Bureau. Census 2000 Demographic Profile Highlights.
http://factfinder.census.gov/home/saff/main.html?_lang=en January 4, 2008.

existence since 1986 though it recently changed names from Hospitality House to Homeward Bound.

Key Factors

The mission statement of Homeward Bound is to “end the cycle of chronic homelessness.”¹⁷⁰ Its primary goal is to move the chronically homeless into permanent housing with the services they need, with a secondary goal of serving those who are “passing through” homelessness.¹⁷¹ From the information available, it appears as though this organization serves its mission and goals well. The day center serves the chronically homeless as well as persons who can regain housing stability more easily, while the Safe Haven is specifically for persons that other shelters might not serve because of substance abuse or mental illness; these populations are also more likely to be chronically homeless.

The Safe Haven program is an asset as well, because it is incredibly unique as it is the only one in North Carolina.¹⁷² It has a client centered approach and focuses on meeting needs individually.¹⁷³ Safe Haven has a low demand environment with few rules, no maximum length of stay, no fees, and very few obligations on clients at all.¹⁷⁴ Research shows this type of environment makes the chronically homeless, especially those with mental illness more willing to accept help.¹⁷⁵ These clients have few rules to follow and no length of stay requirement.¹⁷⁶ Currently Homeward Bound’s Safe Haven is not a 24/7 program, and it had to receive special permission from HUD in order to operate this way and receive funding from HUD (from 3pm to noon).¹⁷⁷ The detriment in not being a 24 hour shelter is that clients are not always able to use their room as a safe space when they are facing symptoms of their illness.¹⁷⁸ Another limit on this program is it has one staff person.¹⁷⁹

¹⁷⁰ Organization’s website January 5, 2008 (www.hbofa.org)

¹⁷¹ Ibid.

¹⁷² Interview with Elizabeth Kelly, Safe Haven Coordinator, of Homeward Bound, February 11, 2008.

¹⁷³ Ibid.

¹⁷⁴ Ibid.

¹⁷⁵ Ibid.

¹⁷⁶ Ibid.

¹⁷⁷ Ibid.

¹⁷⁸ Ibid.

¹⁷⁹ Ibid.

Homeward Bound has also closed two of its transitional shelters so that it could focus more on providing permanent housing for the chronically homeless and is promoting a new paradigm, "Pathways to Permanent Housing." It believes homelessness can be eliminated and defines success as when even one person "takes one step forward on the journey home."¹⁸⁰ This organization is also involved in outreach, going to the streets, homeless campsites, prisons, and mental health institutions to reach the homeless and those who are at risk of becoming homeless. It is also involved in a moveable crisis shelter for women based in churches throughout the community that changes location every week. Expansion of the day center in size and programs offered is also a long-term goal for Homeward Bound.

This organization values partnerships and tries to utilize community resources. The community foot clinic, legal services, community health services, and the VA Medical Center are all involved in serving this organization's clients by coming on-site and accepting referrals. Homeward Bound also works with a housing coalition and a nonprofit housing developer in hopes of advocating for and building more affordable housing. It has a staff of fourteen, eight of whom work specifically at AHOPE or the day center, and it is organized like most nonprofits with a board of directors.

The Safe Haven program is subject to specific HUD outcome measures: meeting once a month with each resident to discuss goals, number of residents who begin receiving assistance through any government program such as food stamps or Medicaid or Social Security, and number of residents moved into permanent housing.¹⁸¹ This program is also concerned with intangible measures like building trusting relationships with residents, learning about the history and goals of residents, helping residents get used to being indoors and being around small groups of people.¹⁸² One of the most difficult but most important goals is to encourage resident to share how he/she is feeling in terms of mental and emotional status.¹⁸³ Staff estimate ten to fifteen residents per year receive government assistance and access permanent housing.¹⁸⁴

¹⁸⁰ Interview with Elizabeth Kelly, Safe Haven Coordinator, of Homeward Bound, February 11, 2008.

¹⁸¹ Ibid. Safe Haven is the only Homeward Bound program that must meet HUD outcome measures because Safe Havens are a HUD program.

¹⁸² Ibid.

¹⁸³ Ibid.

¹⁸⁴ Ibid.

Similar to other organizations, the financial data available consolidates all programs that the managing organization runs. The most recent financial data is from 2004 with organizational revenue of \$592,242 and expenses of \$636,226, which is a gap of approximately \$44,000. Revenue had increased by \$15,000 from 2003 and expenses had decreased slightly by \$3,000. Not surprisingly, program services are by far the greatest expense at \$500,745, which includes the day center, the emergency overnight program, and other housing programs; however, the day center receives the most funding. Salaries are two-thirds of the program expenses, and this organization has approximately \$810,000 in assets which declined \$30,000 from 2003. Of these assets, about \$50,000 is liquid, while property and equipment are the bulk of the assets. Additionally, it does not have major liabilities or long-term debt.

Case Study 6 –Healing Place

This program, located in Wake County, is a recovery and rehabilitation center for the homeless with alcohol or drug dependency issues. This county has a population of 627,836 persons,¹⁸⁵ and a median income of approximately \$55,000 which is almost \$15,000 higher than the national median. The family poverty rate for this area is 4.9% which is half of the national rate.¹⁸⁶ It is a free, peer-run, twelve-step, residential program modeled after a nationally recognized rehabilitation facility in Kentucky that has been in existence since 1992. The nonprofit was established in 1999, and it opened a men's center in 2001 with 165 beds and a women's center in 2006 with 88 beds. It is a 45,000 square foot facility, running a number of programs: an Emergency shelter, a Sobering Up Center, a phased recovery program, and a health clinic. The Sobering Up Center or nonmedical detoxification center and supervised living center meet Division of Facility Services Licensing Standards. It also provides clothing and legal services. The Healing Place is essentially a continuum of care within itself as clients move from the emergency shelter stage to transitional housing to graduation and permanent housing.

¹⁸⁵ U.S. Census Demographic Profile Highlights 2000 <http://factfinder.census.gov>

¹⁸⁶ Ibid.

The Emergency shelter has beds for men and women at separate sites; beds are not guaranteed for multiple nights, and participation in programs is not required. Certain rules do apply to clients in the Emergency Shelter, like lights out at 10pm and clients must be off the property by 7am each morning. The shelter is open seven days a week and is the only “wet” shelter in Wake County, serving clients who are drunk as well as sober. The Sobering Up Center serves men only, and they can stay for three to five days. It is for detoxification (detox) not requiring hospitalization, and sixty percent of clients in the detox program choose to enroll in the full recovery program.¹⁸⁷ The Off the Street (OTS) program is the first phase of the phased recovery program, with two phases lasting eight to ten weeks. Clients are guaranteed a bed each night by attending Recovery Dynamics classes five days a week plus a minimum of three Alcoholics Anonymous (AA) meetings a week. This program uses Recovery Dynamics curriculum and the Twelve Step Alcoholics Anonymous treatment. In OTS 1, clients must walk to the Wilmington Street center¹⁸⁸ to attend their classes as well as to eat lunch. In OTS II, clients walk to the Dorothea Dix campus for their classes and lunchtime meal.¹⁸⁹ In OTS II, classes begin to involve written assignments and tests.¹⁹⁰ The key component of OTS is willingness, i.e. the program does not make it easy for them to attend meetings, by requiring them to walk every day. Willingness is measured by the number of meetings clients attend based on their own strength and motivation.

Phase 1 of the Recovery Program, which serves men and women on separate sites, is very attractive to clients, and lasts four to six months.¹⁹¹ They slowly gain more privacy and graduate from living with 6-8 persons to living with 4 persons in a dormitory style environment.¹⁹² Clients continue to attend Recovery Dynamics and AA meetings, but they also have job assignments like maintenance or laundry. They work with new residents in the OTS program and attend Life Skills and Ready to Rent classes. Clients also attend a Community Process meeting three times a week where they discuss their attitudes and behavior with their peers. In Phase 1 and 2, participants remain on-site all day as opposed to OTS. Phase 2 is

¹⁸⁷ Information from Healing Place Tour January 28, 2008.

¹⁸⁸ Local homeless shelter

¹⁸⁹ Information from Healing Place Tour January 28, 2008.

¹⁹⁰ Ibid.

¹⁹¹ Ibid.

¹⁹² Ibid.

slightly smaller and serves clients who have been sober for more than six months; it is the transitional part of the program. This is the final step, where clients gain help with employment and housing, and they usually spend three to nine months in Phase 2. The recovery program (Off the Street, Phase I and II) is the largest part of the program. Once clients graduate, they receive Silver Chip alumnae status. There is a formal alumnae association, but clients also remain tied to the program, often returning to volunteer or socialize.¹⁹³ This offers an informal mechanism for follow-up; this year, however, the Healing Place will be calling graduates once a month for a more documented follow-up as now their staff can handle that additional responsibility.¹⁹⁴

Key Factors

Healing Place's mission is to "offer innovative recovery and rehab to homeless alcoholic and chemical dependent men and women through a continuing mutual help program that kindles their desire to return to a meaningful and productive life." It was built upon the need to diminish the impact of homeless persons with substance abuse issues.¹⁹⁵ According to program materials, Wake County has approximately 2200 homeless, and over half of that population has substance abuse issues. The Healing Place works to serve that specific subset. Partnerships are crucial to the success of this program, especially partnerships with the local police and emergency services. By bringing persons with substance abuse to the Healing Place, these city services experience a lighter workload, and it also makes the Healing Place a valued resource.¹⁹⁶ Other important partnerships are with the Interfaith Shelter and local food bank, as this program feeds so many people each day.¹⁹⁷ The Healing Place looks to community resources to enhance its ability to serve. It has a number of other community partners, like the Wake County Medical Society Foundation and the Wake County Board of Commissioners as well as with housing and employment agencies and organizations.

¹⁹³ Interview with Chris Budnick, Director of the Men's Program, January 28, 2008.

¹⁹⁴ Ibid.

¹⁹⁵ See organization's website January 5, 2008 (www.hpowc.org); Interview with Chris Budnick, Director of the Men's Program, January 28, 2008.

¹⁹⁶ Ibid.

¹⁹⁷ Ibid.

The Healing Place has a board of directors as well as a board of advisors, and members of the board of directors have financially supported the program in the past. The Healing Place has thirty two staff including an Executive Director, a Men's Program Director, a Women's Program Director, a Volunteer Coordinator, and a Development Director. In 2005, it had a staff of twenty-two fulltime and six part-time, so it has expanded slightly. This program has had the same Executive Director since the program opened in 2001. Residents, especially in Phase 1 and 2 of the Recovery Program, also help run some of the programs. It is a peer-based program, which means every client contributes to its operation in some way, either through building maintenance, laundry, kitchen duty, or other necessary jobs. This allows the Healing Place to be free to clients and need less staff than typically necessary for an organization of this scale.

The Healing Place has a five year strategic plan with a number of goals, including diversifying its revenue and expanding geographically and programmatically. The motivation for diversification is to become self-sufficient; the Healing Place has begun an enterprise division as a way to offset more tenuous funding sources.¹⁹⁸ This program is still being developed but it would provide job opportunities to men and women in the program as well as bring in revenue to the organization by providing a service to the community.¹⁹⁹ This organization also has hopes of being an influence across the state and country. In Kentucky, ten sites have been developed based on the Healing Place.²⁰⁰ For such an action to occur in North Carolina, state support would be essential.²⁰¹

This program serves 140 men and 58 women per day and is consistently above eighty percent occupancy. It also has a waiting list for the recovery program.²⁰² In 2006, it sheltered 1,210 men and 427 women, served 564 meals, and served 1,713 persons at the health clinic.²⁰³ This organization also publishes its own cost effectiveness measure in its annual report. The cost of running both facilities is \$2,037,374 or \$29.65 per person per day.²⁰⁴ The cost of incarceration per person per day in a medium custody facility is \$60.54, and the cost of a detox

¹⁹⁸ Interview with Chris Budnick, Director of the Men's Program, January 28, 2008.

¹⁹⁹ Email correspondence with Chris Budnick, Director of Men's Program, April 2, 2008.

²⁰⁰ Interview with Chris Budnick, Director of the Men's Program, January 28, 2008.

²⁰¹ Ibid.

²⁰² Ibid.

²⁰³ See organization's annual report for 2006 (www.hpowc.org)

²⁰⁴ See organization's annual reports for 2005 and 2006.

bed at a local Alcohol Treatment Center is \$262 per day.²⁰⁵ The Healing Place also allows clients to enter the program multiple times until they reach Silver Chip status through their Retrack program.²⁰⁶ One resident had been through four times; one had been through sixteen times.²⁰⁷ This outlook suggests a belief in qualitative outcomes as well as quantitative. On average, seventy percent of clients are sober and contributing members of society a year after graduation, and this rate is determined by following up with clients for a year after they leave the program.²⁰⁸ The Healing Place wants to track not only sobriety but also relapses and housing status.

Looking at financial data, in 2006 this organization had revenue of almost \$3.7 million, with 77% of that revenue from government sources, 10% from foundations, and 10% was from individual donations. This was a great change from 2005, when only 36% of revenue was from government sources, 31% was from foundations, and 24% was from individuals. This shift in funding sources is due to the opening of the Women's Program which led to increased government funding.²⁰⁹ More complete financial data is available from 2005 and 2004. In 2005, this organization had current assets of over \$ 2 million and total assets of \$12 million. In 2004, current assets totaled \$2.8 million and total assets were \$8.4 million. The gap in these two years is mostly due to the 2005 construction of the women's center. In 2005, this organization had revenue of \$160,000 and support (contributions and grants) of \$3.4 million, of which approximately half was restricted in its uses. In 2004, support totaled almost \$2 million and revenue totaled \$120,000. The difference in support came from a huge increase in grants for 2005. The program receives some income from its clients; once they are employed, they pay \$50 a week. This is usually only in Phase II of the program, because when they enter the program, clients cannot work or drive a vehicle for about five months.

A major funding source every year is the Wake County ABC Board, which donates a percentage of its sales to substance abuse programs, which each county ABC Board can choose to do.²¹⁰ Expenses for 2005 totaled \$2.2 million, with the Recovery Program as the greatest share

²⁰⁵ See organization's annual reports for 2005 and 2006.

²⁰⁶ Interview with Chris Budnick, Director of Men's Program, January 28, 2008.

²⁰⁷ Ibid.

²⁰⁸ Email correspondence with Chris Budnick, Director of Men's Program, April 2, 2008.

²⁰⁹ Ibid.

²¹⁰ Interview with Chris Budnick, Director of Men's Program, January 28, 2008.

of those expenses at approximately \$850,000. In 2004, expenses were \$1.8 million with the Recovery Program as the largest share at \$750,000. When the expenses are broken down by item, salaries, benefits, client assistance, utilities, depreciation, and food were the greatest expenses respectively.

V. Analysis

Table 3. Key Factors

	Mission	Leadership/ Staffing	Finances	Outcome Measurement	Organizational Capacity
Beacon					
Exodus Homes					
Hope Center					
Genesis Home					
Homeward Bound					
Healing Place					

These five factors, as described in Chapter 3, play a significant role in the success or failure of a nonprofit homeless service provider. Finances are common to every case study which shows that funding is the essential foundation for an organization's success. Leadership and staffing is the next most common factor, and this shows that a program, even with adequate funding, can do nothing without the right people to lead and direct it. Mission, outcome measurement, and organizational capacity also contribute to an organization's success but not as directly as leadership and finances.

Finances

Only one program, the Healing Place, has achieved a high level of financial stability with annual revenue consistently greater than \$1 million. This financial position gives the

program the ability to hire more staff and pay more competitive salaries than any other organization in this study, employing over thirty people. The Healing Place has also expanded over time and not experienced a staff downsize since the organization was created. Its financial success comes from its long-term organizational planning and diversified funding sources. It is still a young organization, only nine years old, so while financially successful to this point, its ability to continue being so in the future is equally important.

The other programs, even the more successful programs, have been less effective at finding enough consistent funding sources to enjoy financial security from year to year. Funding involves constant searching, grant writing, fundraising, and tremendous staff efforts to account for the lack of extensive federal and state funding as well as address the competition with other nonprofits for individual and corporate contributions. The Hope Center closed because it could not find enough viable sources of revenue. Both the Beacon and Exodus Homes struggle to cover their expenses every year, and Safe Haven faces the same challenge. Genesis Home has been more successful at having adequate revenue but has not done so consistently over time.²¹¹ From Table 4, the three levels of funding among these programs are obvious. The Hope Center had the lowest amount of revenue and assets, while Homeward Bound, Genesis Home, Exodus Homes, and the Beacon have similar levels of funding around \$500,000. Their asset levels do vary to a greater degree, but a large majority of all their assets is from property, plant, and equipment and is not liquid. Lastly, the Healing Place has the highest level of funding and assets at over \$ 2 million.

²¹¹ The other relevant issue in regards to funding is that every program will need a different level of funding depending upon the number of programs offered and the amount of staff involvement that is necessary to run those programs i.e. a food bank versus an overnight shelter.

Table 4. Finances

BUDGET	Revenue	Expenses	Assets
Beacon ²¹²	\$530,000	\$550,000	\$450,000
Exodus Homes ²¹³	\$514,186	\$527,471	\$1,000,000
Hope Center ²¹⁴	\$83,000	\$100,000	\$175,000
Genesis Home ²¹⁵	\$483,306	\$444,698	\$1,500,000
Homeward Bound ²¹⁶	\$592,242	\$636,226	\$810,000
Healing Place ²¹⁷	\$3,500,000	\$2,200,000	\$10,000,000

Program expenses and staff salaries are the highest priorities; when funding is tight, other concerns are often not addressed like maintenance, staff training, data collection or newsletters. Homeward Bound consistently faces maintenance issues at its facility, suggesting that either maintenance is deferred for lack of funds or the current facility is inadequate; however, they do not have the funds to move. The AHOPE Day Center, one of Homeward Bound's programs, serves over a hundred people a day and could serve more, if the facility were larger. To build a new facility or lease a larger facility would benefit the program's clients, but Homeward Bound's finances do not presently allow such a shift.

²¹² Financial Data from 2006

²¹³ Financial data from 2005

²¹⁴ Financial data from 2004

²¹⁵ Financial data from 2006

²¹⁶ Financial data from 2004

²¹⁷ Financial data from 2005

Exodus Homes differs from the other programs, because its major funding source is resident fees. While it can use those funds as it chooses and is not reliant on government grants, being mainly fee-based limits its organizational revenue. It would be more financially viable if it had more grants and contributions, and a stronger financial base would mean more competitive salaries and fewer facility and maintenance concerns. Having a diversified funding base enhances an organization's financial security, which the Healing Place has been able to achieve and Genesis Home as well, though not to the same degree.

Funding presents a major challenge for most of these programs and inhibits their expansion. It is difficult to truly diversify their funding sources so that they are not dependent on grants and government aid, which can vary significantly from year to year, partly because of the staff time necessary to find new funding sources. For the Hope Center, funding became an insurmountable challenge and significantly contributed to its closure. Both Exodus Homes and the Healing Place are attempting to create enterprise groups, where their residents perform services like moving or construction for a fee which goes to support the program. These programs will need to be monitored, because if successful, they could offer a fundraising model to struggling nonprofit homeless programs.

One strategy that can address funding concerns is for nonprofit organizations involved in homeless service provision to create a fundraising plan and focus on diversifying their funding while they are financially healthy. Staff can consider the various options available and wait for new grants to come through, because they will not be struggling to survive. To diversify means considering federal, state, and local grant options as well as community groups and foundations as funding sources. Organizations should also create a feasible fundraising strategy to garner individual and group donations. Then, if the organization can accomplish these things, a staff member leaving or facing a large unexpected expense will not send the organization into a downhill spiral.

Leadership and Staffing

Four programs present excellent examples of the impact of leadership. In the case of the Healing Place, it is a positive example. The Executive Director has been with the organization since its initial incorporation nine years ago. He and the Board of Directors had great vision in

molding the Healing Place to be a large scale organization. Rather than expanding over time, they gathered the necessary funding and were able to open programs of large capacities from the beginning (for both men's and women's programs). This leadership played a key role in the current financial stability of the Healing Place because of their comprehensive long-term approach as opposed to a short-term year to year plan.

The Beacon and the Hope Center present negative examples. Cleveland County Coalition for the Homeless originally managed the Beacon and had a dynamic Executive Director, similar to the Healing Place; however, when that Executive Director left, the organization was unable to maintain itself or the necessary levels of funding. The Executive Director had been able to maintain the program because of personal skills which could not be replicated when he left. That personnel shift led to the collapse of the entire organization, and the Abuse Prevention Council took over. Leadership is still an issue for the Beacon and unless an organization focused on serving the homeless can be found to run it, the existence of both the Abuse Prevention Council and the Beacon could be threatened. As of 2002, demand for this shelter had not grown; however, it had remained consistent. There is also a strong community belief that the shelter should remain open, which is why it held the Epiphany Summit, bringing together local churches and organizations to discuss the future of the Beacon. Thus, the Beacon's mission still meets a relevant need, but clear and strong leadership is vital for the future of this organization. Since the transfer to the APC, it has lacked vision or extensive planning as the focus of the APC has been on the survival of the Beacon not its improvement or growth. Until an organization or the city takes leadership of this issue, the APC and the Beacon will continue to face uncertainty.

The Hope Center did not become overwhelmed by its financial difficulties until after its Executive Director left. The Director was another dynamic personality who acted as the glue holding the organization together,²¹⁸ keeping the organization afloat, but unfortunately the staff and the Board were unable to continue that effort. The city of Fayetteville is currently working to reopen this shelter but will only be successful if citizens and/or homeless service professionals take leadership of the effort to ensure its success. The effect of leadership or the

²¹⁸ Interview with Gwen Belcredi, NCHFA Supportive Housing Program Officer February 7, 2008

lack of leadership cannot be overstated. The importance of quality and sufficient staff also plays a role in leadership because for both the Beacon and the Hope Center, the Executive Director became overwhelmed and overworked by the constant search for funding and extensive organizational responsibilities.²¹⁹

Genesis Home highlights the powerful effect when both quality staff and leadership are present in an organization. The combination, as the negative examples illustrate above, significantly contributes to an organization's success or failure. Genesis Home has a small staff, with only four full-time positions, and everyone takes on additional responsibilities. The Executive Director is responsible for some maintenance duties, and the case managers often take on administrative duties. By employing part-time program associates and maintenance staff, however, some of this burden is taken off of the full-time employees. The Executive Director has also been careful to match the skills of his case managers with their clients; he is hesitant to serve more clients with substance abuse or mental illness needs until either his case managers can receive more training or the organization can hire a new trained staff member. Were they to expand without the proper staff, they might feel overextended and overwhelmed. Ultimately, Genesis Home effectively manages the reality of a small staff with the needs of its clients.

These examples highlight the need to be purposeful and strategic when hiring staff. Organizations should look for staff who can contribute specific needed skills as well as staff who are motivated by the organizational mission and thus motivated to stay. Organizations should also study their staff turnover to determine if staff are overworked and then "burn out." A small staff can accomplish incredible things but organizations should ensure that each job description is actually feasible for one person to achieve. Lastly, organizations need to be realistic about their executive director. Believing that his or her job is to save the organization is flawed because that means when he or she leaves the organization, another executive director will be needed to save it again. Organizations should work on building their staff capacity so that they can withstand leadership changes and can then rely on an executive director to provide leadership and vision, not to be a hero.

²¹⁹ Interview with Gwen Belcredi, NCHFA Supportive Housing Program Officer February 7, 2008

Mission

An organization's mission provides its purpose and direction. The Beacon is facing a mission mismatch which comes from the change in managing organizations and impedes its success. Originally the Cleveland County Coalition for the Homeless operated the Beacon, and its mission was to serve the homeless. Now the Abuse Prevention Council manages the Beacon, and the APC's original mission was focused on survivors of domestic violence. It has since added serving the homeless to its mission, but these two populations have different needs. While initially that mismatch meant the survival of the shelter, this continued disconnect threatens to cripple both the organization and the program. Now the APC faces issues such as where to focus its financial resources as well as its staff time. Simple decisions become more complicated, which is an unnecessary use of energy. The APC has shown significant leadership in calling for an end to this situation, and once it is relieved of these extra responsibilities, the organization will become more healthy and effective. Its staff will have more time for their original mission and historical client base, while the Beacon will become more mission driven, and ultimately a stronger program.

Homeward Bound also illustrates the influence of organization mission because it has changed its programs in order to be more aligned with a new organizational mission; it has closed its transitional shelters, focusing less on its original mission of homelessness in general and more on serving the chronically homeless. Both Homeward Bound and APC changed their mission during the course of their operations but the difference is that Homeward Bound's became more defined while APC's became broader. A more defined mission is an easier change for an organization to adapt to because it requires a refinement of staff skills and programs offered whereas a broader mission requires an increase in staff and for the existing staff members to take on additional responsibilities.

Genesis Home demonstrates the positive role of mission in an organization's health, being very aware of its mission and the need for its services to be in keeping with that mission. In view of the paradigm shift to the chronically homeless, Genesis Home is trying to re-examine its programs to determine how to incorporate certain Housing First policies while still serving

its original purpose. The core strength of this organization is its historical emphasis on providing transitional housing and continuing to serve out that mission over time. This allows for stronger relationships between clients and staff, more teaching and education on life skills (such as parenting and budgeting), and more time for clients to increase their income before leaving Genesis Home. Genesis Home has had great success in finding employment for its clients and increasing their income between entry and exit, at 100% placement and increase in 2006 and 97% in 2007. Because of this history, Genesis Home is hesitant to change its mission completely but is looking for innovative ways to continue providing transitional housing while incorporating elements of the Housing First movement.

Organizations have to base their missions on more than just passion or a social calling; missions need to be based on community need but also keeping in mind what a mission would require of staff and demand of finances. A mission also needs to be well-defined. A broad mission can lead to an organization taking on too many programs or programs that their staff are not equipped to manage. A mission that is too narrow can make it difficult to get funding and gain community support. Staff members and the Board of Directors should discuss the vision for the organization in view of community need and use that discussion to formulate its mission. Lastly, missions can change, but an organization should not change its mission lightly. A change in mission statement will have to consider even more factors: community need, the services of other nonprofit organizations, staff skills and ability, and financial status. In so doing, if a change in mission is deemed necessary, it will not duplicate another service being provided or require a skill of staff that it does not have; it will be based on an unmet community need and hopefully lead to more funding sources.

Outcome measurement

Outcome measurement does not have as direct of an impact on an organization's success as financing and leadership because it is not essential for daily operations; however, it is incredibly important. The ability to devote resources to outcome measurement indicates sufficient staff and funding. Outcome measurement is also beneficial for organizations that have vision and want to expand; it provides the necessary evidence for donors and the community to show the value of the organization, often leading to greater financial support. It

can garner more financial support because people are more inclined to support a successful and dynamic organization versus a stagnant or declining organization. The importance of outcome measurement for the success of an organization is that, if publicized, it can provide the program with a good reputation of service. If an organization values outcome measurement, it is truly concerned with determining how its programs impact its clients thus making the organization more apt to change those programs in order to meet client needs.

The Hope Center and the Beacon both made minor and elementary attempts at outcome measurement at one point in their operation, which involved a count of the clients served. Exodus Homes has not engaged in any public outcome measurement, and it may not be motivated to publicize its outcome measurement data because, as stated above, its main revenue source is resident fees. It does not have donors to satisfy and attract; however, this lack of public data makes it difficult to know the impact of Exodus Homes' programs. Therefore, these three programs are not heavily involved in outcome measurement.

Homeward Bound has not engaged in public outcome measurement. Homeward Bound's lack of action in this area is particularly troubling because unlike Exodus Homes, it does have funders to satisfy. According to an interview with Elizabeth Kelly, Safe Haven Coordinator, data is collected for internal use and HUD requirements; annual reports are also created each year, but they are not easily accessed by the public. Homeward Bound is not extensively engaged in outcome measurement.

Genesis Home, in comparison, effectively employs outcome measurement. It publishes annual reports with quantitative data and quarterly newsletters with qualitative data, so that board members, financial donors, and community members can see its impact and organizational value. This can lead to more community support and also satisfies donors' requirements. Genesis Home also periodically collects more detailed data on its clients. One example is its data collection on client income and debt levels during their stay at Genesis Home as well as surveying clients about their experience at Genesis Home. The Healing Place also utilizes outcome measurement tools and publishes annual reports every year which shows funders and contributors its success and its positive impacts on its clients. The Healing Place looks at additional information besides funds spent and clients served like cost of service to

clients. Both organizations also track their clients for six months to a year to see how they progress, which indicates the effectiveness of the services provided.

Outcome measurement can be crucial in illustrating a program's effectiveness; therefore, nonprofit organizations involved in serving the homeless should find at least one way to collect data that they can then maintain over the long-term. As their funding and staff hopefully increase, they can add more outcome measurement to their activities. It can seem unimportant when compared to the need to deal with everyday operation issues and serve clients, but for an organization with vision for the long-term, outcome measurement is vital to determining the future of their organization and the programs provided. Even at an elementary level, outcome measurement is useful, so organizations should know even a simple measurement tool can be sufficient to start outcome measurement.

Organizational Capacity

Similar to outcome measurement, organizational capacity does not appear to directly impact an organization's success or failure because it is not relevant for daily operations. However, unlike outcome measurement, organizational capacity can be built and maintained even for a small organization. It involves the quality and compensation of staff as mentioned in Chapter 3. Both the Healing Place and Homeward Bound have sufficient staff; Genesis Home and the Healing Place both provide competitive reimbursement to their staff members.²²⁰ Most of these organizations utilized volunteers and/or residents as well which helps with staff workload.

Community partnerships are also an indicator of capacity because they diversify the services and resources homeless service providers can offer their clients. Exodus Homes does not seem to have many strong community partnerships, beyond working with Mental Health. More nonprofit partnerships could enhance the services this organization can provide by expanding them or diversifying them; corporate or private sector partnerships could enhance this organization's financial and resource base. The Healing Place has incredible community

²²⁰ Based on a calculation dividing salary expenses by number of staff

support and partnerships. What is even more amazing about this support is the fact that the Healing Place does not serve homeless families, which generally gains more support; the Healing Place serves alcoholics and addicts and yet it consistently maintains volunteers and community support. Genesis Home also takes advantage of community support and partnerships to enhance its services to clients by utilizing community organizations to provide other benefits to clients like birthday parties and health workshops.

Another indicator of organizational capacity is the condition of program facilities. When they are well-maintained, the organization has adequate staff and funding to deal with maintenance issues rather than deferring them. Well-maintained facilities also act as an advertisement for the program in that when board members or donors visit the site, they are impressed as opposed to concerned. The Healing Place's facilities are in excellent condition and provide a positive image of the program. Genesis Home's facilities are not as pristine and well-kept; they are structurally maintained and look lived-in. This difference also highlights the larger staff and budget at Healing Place whereas Genesis Home's budget and staff only allows it to address physical problems as opposed to physical appearance. Homeward Bound faces maintenance concerns which means they are unable, financially, to address them in a timely manner.

Lastly, sustained programmatic expansion also suggests strong organizational capacity. When an organization is engaging in outcome measurement and marketing publications like newsletters, it has the staff time to devote to these activities. When a program like Genesis Home goes from a one story building to a three story building over ten years and the Healing Place opens a second facility - the women's program, after the successful operation of the Men's Program - it suggests the financial capacity but also the staff ability and organizational vision to grow. Genesis Home is currently involved in strategic planning, which is also a sign of a visionary and capacity-building organization because it is planning for the future.

Capacity building can seem too difficult to achieve when funding is tight; however, there are certain steps organizations can take to strengthen their staff and programs and organization as a whole that do not require much funding or staff input. They do require planning. First, nonprofit homeless service providers should form partnerships with other like-

mindful organizations. It does not cost any money and can provide a way to provide more services to clients as well as network on strategies about effective fundraising and service provision. Next, organizations should pursue volunteer involvement and broaden their idea of “donations” so that maintenance issues can be addressed through volunteers painting a wall or a construction company donating supplies. Lastly, staff training as well as supporting staff should be a priority. Staff members can deal with a burdensome workload in the short-term but not indefinitely; when new funding becomes available, try to address that workload even with a part-time administrative assistant. Small steps can lead to a much stronger organization, and these small steps can achieve capacity building.

VI. Potential changes and challenges for homeless service providers

Many providers and experts in the field suggest that a paradigm shift is occurring in homeless assistance, moving away from a focus on emergency and transitional housing programs. "The real push has been on permanent solutions,"²²¹ and people are becoming more focused on the chronically homeless population. Chronic homelessness is when a homeless individual with a disabling condition has been either continually homeless for a year or has had at least four episodes of homelessness in the last four years.²²² This subset is only 10% of the overall homeless population but they use 50% of the total days of shelter provided in a year.²²³ Currently there is a push to provide supportive housing or permanent housing with services as it may be the solution to chronic homelessness.

Permanent housing is defined as "an intensive model of housing and services designed to serve chronically homeless individuals and high resource using families who can not retain stable housing without tightly linked supportive services, and who can not successfully utilize the clinical services they need to stabilize their lives without having housing."²²⁴ Transitional housing, however, is "a project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months)."²²⁵ The difference between transitional and permanent housing is that permanent housing usually has a more narrowly defined client base, chronically homeless, mental illness, or other detrimental condition, and has no time limit on length of stay. Another key difference is that while clients in transitional housing hopefully achieve permanent housing, that permanent housing does not come with supportive services. This movement for permanent housing combines housing stability with supportive services, which is its unique characteristic.

²²¹ "Five Questions for Martha Burt"

²²² Todd 2006.

²²³ Todd 2006; Corporation for Supportive Housing

²²⁴ Portland Housing and Community Development Department

<http://www.portlandonline.com/bhcd/index.cfm?c=ededg> Retrieved April 1, 2008.

²²⁵ HUD Glossary of CDP Terms <http://www.hud.gov/offices/cpd/library/glossary/t/> Retrieved April 1, 2008.

Studies have shown that supportive housing is “cost effective and efficient.”²²⁶ When a person remains homeless and dependent upon emergency shelters and hospitals, his or her use of services costs almost as much as putting that person into permanent housing with services.²²⁷ Studies have also shown that “subsidized permanent housing is the most effective response to family homelessness.”²²⁸ Burt also argues that housing subsidies, supportive services, and “diverse housing options” can significantly enhance housing stability of single adults.²²⁹

The Bush Administration and the Interagency Council on Homelessness are asking communities to create 10 Year Plans to End All Homelessness with a focus on permanent housing and the chronically homeless. In 2003, the federal government allocated \$48 million for the “Ending Chronic Homelessness through Employment and Housing Initiative.”²³⁰ “The federal government (...) is revamping the homeless assistance system so that it focuses more on permanent housing.”²³¹ In response, many communities are reducing their emergency shelters in order to provide more permanent supportive housing.²³² The argument against this initiative and paradigm shift is that it reduces the resources available for the non-disabled population and does not address preventing overall homelessness.²³³ There will always be a need for emergency shelter, and it remains difficult to immediately place clients into permanent housing.²³⁴ The other piece to consider is that emergency shelter can provide a way to connect clients with permanent housing providers.²³⁵

The National Alliance to End Homelessness (NAEH) recently published a brief on Strategies to End Homelessness, and its list included prevention, housing first, housing assistance (helping families pay for housing), targeting services, and data-based planning. Prevention is targeting high risk families; Housing First emphasizes rapid re-housing, and

²²⁶ Todd 2006; Burt 1999.

²²⁷ Corporation for Supportive Housing: About Supportive Housing March 2006
www.csh.org/toolkit2

²²⁸ Burt 2001.

²²⁹ Ibid.

²³⁰ Todd 2006.

²³¹ Cunningham NAEH.

²³² Burt 1999.

²³³ Todd 2006.

²³⁴ Interview with Mary Rea Todd, Supportive Housing Team Manager, NCHFA. February 11, 2008.

²³⁵ Ibid.

housing assistance is providing funds for security deposit and first month's rent.²³⁶ A combination of strategies seems to be the most effective approach as well as creating local programs that recognize that every city is different. Columbus, Ohio, for example, is emphasizing transitional and permanent housing and witnessing a 40% decrease in homelessness.²³⁷ Hennepin County, however, helps families find housing in the private sector and provides the first month's rent and security deposit and is also witnessing a 40% decrease in homelessness.²³⁸

The important piece of this paradigm shift is the change to funding. Currently, many federal grants are available for programs with permanent housing or that serve the chronically homeless. The significance of NAEH's brief is that it is advocating the use of multiple strategies, but there is less funding for this approach. Permanent housing is an effective way to serve a particular subset of the homeless population; it does not, however, serve every homeless person nor does it significantly address the causes of homelessness.

While AHOPE has shifted to this permanent housing model and Genesis Home is studying how it should respond, the other case study programs have not responded similarly. For the Beacon and the Hope Center, it is probably due to their unstable organizational status. Exodus Homes, however, could be one organization that would benefit from incorporating some of the elements of this paradigm and program shift. It could serve more clients, and the program may become more cost-effective if clients do not stay as long. Healing Place does not believe it will be greatly affected by this shift because of this niche group it serves.²³⁹ As mentioned above, it is a Continuum of Care model itself. Instead of sending clients to three different sites and organizations, they remain within the program but still move through the three phases of emergency, transitional, and permanent housing. Perhaps if more cooperation occurred between providers and funding had more flexibility, this application could be repeated in other places as a more effective service model. The significance of this model is also that it does have a fairly large scale and high success rate, like permanent housing programs.

²³⁶ Todd 2006.

²³⁷ Todd 2006.

²³⁸ Ibid.

²³⁹ Interview with Chris Budnick, Director of the Men's Program, January 28, 2008.

VII. Conclusions

A. Lessons Learned

The major commonalities among these case studies are that funding and staffing are crucial pieces of success. If a program starts on a shoestring budget with a dynamic leader, they can survive; however, should funding become scarce or that leader retire, the organization almost always faces failure. This scenario can be true for many nonprofit organizations, not just homeless service providers. The more successful programs have achieved their success because of their diversified funding base and strategic organizational planning. The more successful programs rely on multiple and varied funding sources and are engaged in visioning and strategic planning as they go. Studying these six nonprofit homeless service providers suggests certain recommendations for other homeless service providers.

First, before beginning a program, extensive organizational planning needs to occur, and organizational planning needs to remain a priority in order to effectively deal with changes and problems as they arise; the Healing Place provides this example. Because they began with planning, they have been able to maintain that level of planning even after opening two programs and serving over two hundred clients each night. The Healing Place has made planning a priority which has played a major role in its success. Second, adequate and stable funding is absolutely essential to organizational success. Each case study provides an example of this reality, either negatively because of their limitations or weaknesses due to funding or positively because of their facility and programmatic expansion due to financial stability. Most of the case studies show that a budget of \$500,000 or less for an entire organization running multiple programs is less than ideal and makes it difficult to hire sufficient staff and expand programs. Because the Healing Place has reached a level of four times that amount, not only does it have sufficient staff, but it is financially stable, whereas most of the case studies experience fluctuations from year to year. Because of its large amount of revenue, the Healing Place has more flexibility to deal with funding changes from year to year. One key to achieving a greater level of funding is diversifying an organization's funding base, as mentioned above. By pursuing a multitude of sources, though work intensive, an organization's funding base is more secure and will fluctuate less from year to year because of the variety of sources being

used. The other element of funding is that staff need to be skilled in development and grant writing, fundraising needs to be a high priority, and organizations should look for ways to diversify their funding sources. These strategies will make them more successful at achieving higher levels of funding as well as enhance their funding stability.

Third, capable and sufficient staff makes programs and thus clients successful. One extremely capable Executive Director is still insufficient to create a healthy organization as the Hope Center and the Beacon indicate. Without motivated, qualified, and sufficient staff, the program will not be able to sustain its services. Organizations should make their staff a priority through offering competitive salaries and benefits packages as well as providing continuous training opportunities. A few well-paid staff compared to a larger staff with inadequate salaries will be more effective because it has a greater incentive to perform and is less likely to be dealing with financial stresses which could be a distraction.

The next lesson is understanding commitment to organizational mission. Most of these case study organizations put their clients first and are motivated by their clients, greatly enhancing their organizational effectiveness. They are not motivated by bottom lines but by changing lives. Both Exodus Homes and Homeward Bound have changed their missions when they realized their activities and mission did not match. This also shows the importance of serving out your mission and knowing your purpose, but also being adaptable as conditions change. The other important element of organizational mission is understanding that missions can and should change from time to time; as Genesis Home illustrates, this change should not be made quickly or lightly. The organization should spend some time studying its history, programs, clients, and other strengths to determine if a change in mission will benefit the organization. Finally, even small organizations should look for ways to build their capacity and evaluate their programs. These elements may seem unnecessary when the budget is tight, but they can greatly enhance an organization and contribute to its success and stability in the future.

B. Future Study

There is a lack of research on homeless service providers and while more research has been done in the past ten to fifteen years, we still do not know enough about the paths of the homeless. In future research, I would study other areas such as: how long clients are homeless; how they became homeless; and how many times they have been homeless. Extensive intake documentation could provide the answers to these questions; however, due to confidentiality laws, even if available, it may not be accessible. Extensive intake documentation might be difficult for small and medium sized organizations so future study could include other means of determining the paths that homeless persons take in their journey from housing stability to instability back to stability.

I would also be interested in the programs themselves and studying factors about them: the length of time families and households spend in the program, if clients struggled with the rules of the programs, follow-up contact and programs, and the status of clients after they leave the program.²⁴⁰ These areas are important because of the current emphasis on permanent housing to show which service models do help homeless persons and families enter housing.

Nonprofit organizations that are homeless service providers deserve further study in funding sources and staff training. Are there fewer grants and government funds for these types of services than for others? Are there other funding sources available for nonprofit homeless service providers that would be more stable? What is the level of education and training among staff? Are staff competitively compensated? These questions have not received much attention up to this point but could help make these programs even more effective.

One last area to study in the future is looking at every homeless assistance programs in the locality of each case study to see what services are offered, how well services are coordinated between the different organizations, and if the Continuum of Care works in practice.

²⁴⁰ Fischer 2000.

In conclusion, funding, staff, and organizational mission are the key factors that impact an organization's success or failure. While there is incredibly diversity in the field of homeless service provision, these factors are common to the six organizations and programs studied here. This study of significant factors should also highlight the need for further study because the diversity is so great. Can these programs be grouped by scale? Can they be grouped by client? Completing a larger study and looking for grouping mechanisms would lead to more conclusive lessons or could lead to the realization that funding, staff, and mission are truly the conclusive realities that every nonprofit homeless service provider must address well in order to be successful.

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